STATE OF CALIFORNIA

MEETING OF THE

CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Tuesday, July 25, 2006

California Air Resources Board

1001 I Street, Coastal Hearing Room

Sacramento, California

MEMBERS PRESENT:

DENNIS DECOTA, Acting Co-Chairman

ROBERT PEARMAN, Acting Co-Chairman

JEFFREY WILLIAMS

ROGER NICKEY

BRUCE HOTCHKISS

JOHN HISSERICH

ELDON HEASTON

MEMBERS ABSENT:

VICTOR WEISSER, Chairman

JUDE LAMARE

TYRONE BUCKLEY

GIDEON KRACOV

PAUL ARNEY

ALSO PRESENT:

ROCKY CARLISLE, Executive Officer

JANET BAKER, Administrative Staff

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P R O C E E D I N G S

MR. CARLISLE: Just a brief announcement so everybody knows that the Chairman will not be here. So probably the first order of business is to nominate an Acting Chair, make a motion, and then vote on that Acting Chair for this meeting.

MEMBER: I nominate Dennis DeCota.

MEMBER: Second.

MR. CARLISLE: Any discussion? Okay. All in favor of Dennis DeCota Acting Chair?

ALL MEMBERS: Aye.

MR. CARLISLE: All opposed? The ayes have it. Congratulations, Dennis.

MEMBER DECOTA: Well, thank you, Rock. I think that was a railroad job, though. Welcome to the July 25th meeting of the Inspection and Maintenance Review Committee. The meeting will come to order.

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I would like to entertain a motion of the approval for the minutes of June the 27th.

MEMBER: I'll make that motion.

MEMBER: And I'll second.

MEMBER DECOTA: Discussion? Hearing none, all those in favor signify by saying aye.

ALL MEMBERS: Aye.

MEMBER DECOTA: Those opposed? The minutes are approved. Let's

go to Mr. Carlisle for the Executive Officer's Activity Report and legislative update.

MR. CARLISLE: Thank you, Mr. Chairman.

MEMBER DECOTA: Before I do that, I am remiss, would the Committee please introduce themselves starting from the far left?

MEMBER HEASTON: Hi, I'm Eldon Heaston, Air Pollution Control Officer with Mojave Desert Air Quality Management District and Antelope Valley Air Pollution Control District. It's my first meeting and hello.

MEMBER DECOTA: Welcome.

MEMBER HISSERICH: Welcome. I'm John Hisserich, public member from Southern California.

MEMBER WILLIAMS: I'm Jeffrey Williams, a public member.

MEMBER PEARMAN: Robert Pearman, public member from Southern California.

MEMBER DECOTA: I'm Dennis DeCota appointed by President Pro Tem.

MEMBER NICKEY: Roger Nickey, operator of test-only facility, Folsom Quick Smog.

MEMBER HOTCHKISS: Bruce Hotchkiss.

MEMBER DECOTA: And Chairman Weisser hurt his back last night, evidently, and expresses his apologies for not being here today. I'm sure he'll back at the next meeting. All right, now, Rock, let's move onto the Executive Officer's Activity

Report.

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MR. CARLISLE: The report is relatively short. Most of my energies were with regard to editing the report, which I finally got a copy to the Committee last Friday in email. And what I had suggested in that email is that we concentrate on the report itself. The detail from that will develop the Executive Summary instead of looking at the report in its entirety, like I attempted to do that meeting. So we do have an edited version. I should mention that there's one piece missing and that is on program evaluation and I'll explain why when we get to it. So that's the majority of the work I've done this month. I also attended a meeting at ARB yesterday. ARB is in the process of re-designating some areas of the State to non-attainment so that or may not have impacts on the Smog Check Program in those areas. I also worked with Jeffrey Williams and Steve Gould. We did an update, if you will, of the procrastination issue on late registration. And so he is going to make that presentation today. And we won't have an ARB liaison today. I did speak with or I had a voicemail from Tom Cackett and he's giving - he's in court today, I guess. But anyway, a couple of things going on at ARB. They did approve a project to reformulate engine-lubricating oils to reduce PM emissions and so that's a project that's

going to be upcoming with them. And other than that, like I mentioned, they are re-designating some of the areas from attainment to non-attainment. And that really concludes my report for this month.

MEMBER DECOTA: Thank you. Does the Committee have any questions to Rocky? Yes, Robert?

MEMBER PEARMAN: Just the project to reformulate some gasoline. Can you tell me more about that? I mean is that like -

MR. CARLISLE: It's not gasoline, it's lubricating oils.

MEMBER PEARMAN: Lubricating oil?

MR. CARLISLE: Yes.

MEMBER PEARMAN: Is that something they're doing internally or are they going off RFP or test -

MR. CARLISLE: That I don't know. I just got that email from Jude Lamare. I'm going to follow-up on that.

MEMBER PEARMAN: Thanks.

MEMBER DECOTA: All right. Moving on to agenda item number four. We have, I know, Mr. Ross with us as the BAR representative, so you're on.

- o0o -

MR. ROSS: Good morning.

MEMBER DECOTA: Good morning.

MR. ROSS: This morning I would like to take the opportunity to give an update relative to the development of the evap - evaporate testing, actually the low-pressure fuel

evaporative testing protocol that has been under development here for a lengthy period of time in the State. To bring all the members up to speed, in the August of 2000 letter to the U.S. EPA, the BAR and ARB agreed to a list of improvements relative to the Smog Check Program. It was a rather exhaustive list to engage activities that would result in higher emissions being captured relative to all types of smog-producing (unclear) and the ARB and BAR proceeded, since that time, to implement those various actions and activities. And it’s important - and I will retouch upon this in a little bit - it’s important to remember that all of these things are the sole purpose of developing a more clean air environment. The progress in achieving a testing device that would produce a quality result at a relatively efficient cost was something California said about developing when - to basically identify that there really was not a quality testing device that would produce an accurate test and one that would be as cost-effective in terms of the number of vehicles it would really capture as potentially failing. And so that was a developmental process and BAR, as it does at various implementation projects, engaged manufacturers to work with BAR, developed specifications and work with two principle manufacturers who, since that start-up time, have developed two prototype models that appear to be capable for

production. And based upon our discussions with the manufacturers, when there is a fixed certainty that the regulations will be engaged, they will then - and I guess that's a reasonable business decision, then they will go into producing a model for sale to the industry. The process over time required meeting certain provable measurements to demonstrate that the equipment and the emission beam trying to be captured could be done in a quality way so that we meet our State legislative obligation that no system that we implement will produce a - what they refer to as a false failure rate of more than five percent, i.e., a person being tested in the sense it was a 95 percent accuracy that the result of the test is completely accurate, i.e., if their car fails, it is 95 percent that it did fail or if it passes there's a five percent chance it did not pass. And that is statute, so that is one of our objectives that we've worked to achieve and had frankly to do some additional work with ARB so we could demonstrate that, which we did during 2005. During the first part of 2006, we assembled the information that we had concerning our testing device and our mechanism and then held workshops and invited the industry to participate to garner and gain their input. In compiling the data for the regulations, it became very apparent very quickly that getting the tester together, getting the objectives of the test, was one thing, but

implementing it in a way that is acceptable to the industry and the consumer so that we get quality industry participation as well as consumer acceptance was something that we're having to focus on much more than frankly I think we anticipated. In a synopsis, the evaporative emission component of a vehicle has been around for quite a while. At one point in time, evaporative emissions just pretty much escaped into the air. And then through technology, it became a more controlled and contained process to try to recapture those emissions and regenerate them into the car to be burned. It is that system that we are testing. Up until 1995, approximately on almost all models, the ability to onboard monitor that mechanism was not built into the technology of the vehicle. Beginning in 1996, onboard data computers began to capture the various functions or malfunctions of a vehicle and the evaporative emission component was included in that. And as time has gone on, the onboard data systems have been more and more sophisticated and provide more and more sensory information to the car and to the technicians who service the car and that is one of the things that the evaporative emissions program is attempting to compensate for. Post 1995 cars are monitored through their onboard data systems. The pre-1995 and earlier, to 1976, those vehicles in the state that are subject to the Smog Check Program do not have such a system.

And so the evaporative testing mechanism focuses on this group of cars, 95 through 76. Coincidentally, this same group of vehicles are also a critical and key component of an aspect of our State hybrid system that involves the use of two different types of Smog Check stations; a test-and-repair station and a test-only station. And to substantiate with the federal authorities, the California State Implementation Plan identified the mechanism by which we would demonstrate that our system of a hybrid could produce comparable results to the basis federal model of a centralized system where all vehicles go to one location, oftentimes controlled or owned by the State and receive a test and then repairs done in the general repair industry. California deemed to pursue a hybrid system where private ownership and private industry would do both the testing in our system and the test and repair. However, one of the factors to validate that was the direction of a certain percentage of vehicles to the test-only stations to create a balance, an equilibrium, a check-and-balance, for some discussion as to how its role and function works, but basically it was to separate the economic interest of a repair from the interest in finding a failure in the vehicle. And so that’s fundamentally the key balance bar here. And this group of vehicles that has to be directed is to be composed of the dirtier vehicles in the fleet relative

to their emissions. While at the same time we're talking about the 95 through 97 model years as being evaporative tested focus, we're also talking about literally that same group of older vehicles that represent some of the dirtiest vehicles. And they are being directed to test-only stations primarily.

MEMBER DECOTA: Chief Ross?

MR. ROSS: Yes, sir.

MEMBER DECOTA: Did you maybe misspeak a little bit on the years right there?

MR. ROSS: Yes.

MEMBER DECOTA: On just the years of testing eligibility. Are they 76 through 95?

MR. ROSS: Yes, sir.

MEMBER DECOTA: Okay. Thank you.

MR. ROSS: The Smog Check Program eliminated the 30-year rolling but established 1976 as our baseline here and the -

MEMBER DECOTA: You had it two years; you had it from 95 to 97.

MR. ROSS: Oh, I did?

MEMBER DECOTA: Yes. That's okay, that's all right. I just wanted -

MR. ROSS: It would have been a lot easier program. No, I'm sorry, 95 to 75. Thank you, Mr. DeCota. So we've got these two sub-fleets doing or being considered to do two different things and this potential collision impact could well affect

how the acceptance by the industry, and consequently the acceptance by the consumer, it is received. That is one of the critical things that we're looking at now. It is how to engage this in the industry so that there is a - kind of a universal access to this test by the consumer and also a universal acceptance by the industry. We are very cautious of creating a program that begins to bifurcate in different pieces. What can do what and where can the consumer go to get that service. So this is one of the critical issues that we're looking at right now. And at the same time, we want to cause the highest emissions possible and if we were to implement a program not well-received by the industry and not well-received by consumers, then we have the whole condition of acceptance and participation that could literally undermine not only the evaporative testing, but possibly even the regular Smog Check testing. So we're looking at the data relative to emissions produced. We're trying to thoroughly analyze everything that is in place. The existing system of the directed vehicles has been around since about 1997. We're looking at the data, we're looking at the comparisons of the abilities of the two types of stations. The IMRC I think just recently responded to a legislator's office on this very same and difficult issue in terms of trying to weigh and measure. We sought to implement the evaporative emissions program on a statewide

basis. In the 2000 letter, a number of different items were listed in terms of what the State would do and many of those things required joint work with ARB to ensure that we validated the outcomes before we implemented major changes. Just to recount a few of those things, the liquid leak test and the gas cap test, that was implemented statewide regardless of enhanced area, basic area, change-of-ownership. Ultimately, ARB identified that produced nearly 84 tons per day of evaporative emission reduction. We've also lowered nitrous oxide cut-points, increased the percentage of vehicles directed at test-only stations from 1997. We've raised that incrementally to a now directed target pool of 36 percent. Implemented heavy duty truck testing for gasoline combustion engines under 10,000 pounds, have been studying remote sensing as to how it may be valid for some type of failure identification. We have done significant enforcement measures in terms of monitoring various station performance from what is kind of termed the classic enforcement to the more customized working with individual stations to monitor their overall improvement in emissions due to their repairs and then working with their technicians to make them more professional and create a higher rate of emission reduction. And we believe that this kind of work and enforcement action, frankly, over the history of this decade, has really helped assist the

industry relative to the testing protocol and the repair protocol because as a big - and it shouldn't be a footnote and it shouldn't be an asterisk; we can test all we want, but if we don't repair the cars that fail, then nothing has changed. So we have to be very conscious as to how we implement a new protocol or procedure so that we engage that element that is also going to fix the problem. And so that is kind of where we are today. I know the issue is always, when will we have it, when will we have it. Well, we hope that we will be able to gather our new data and that we saw great value in our workshops in April and we hope to have maybe later this summer several more workshops. Because, as you've heard, some of the things I've discussed go to the existing infrastructure separate and apart from the evaporative mechanism and we do think these things need to be exposed and discussed in the industry forum and the public forum and allow us to, if you will, bring the best product to the table. I'd be glad to answer any questions you might have, Mr. Chair, to the best of my ability.

MEMBER DECOTA: I have a couple.

MR. ROSS: Yes, sir.

MEMBER DECOTA: Chief Ross, on the workshops that were held, we were promised that a litany of questions would be answered. We asked 50 questions.

MR. ROSS: Yes.

MEMBER DECOTA: I'm wondering if that has been accomplished yet.
MR. ROSS: I tried to address this at a recent BAR Advisory Group meeting. In looking at some of our answers to the 50 questions - the questions were all over the board. I think you attended one of the meetings, you know that. And in some of the responses, looking at them, I didn't feel there was enough non-engineer talk to communicate to the public and the industry how some of the answers were not inconsistent and I sent those back to be reworked. Because candidly, I think this is a difficult enough topic to address and I thought as, quote, as clear as we could communicate, which maybe is a fool's mission, but as clear as we could communicate would be the smartest thing for us to do. I still hope to get those out and put them on the website. It might just be a little bit longer.
MEMBER DECOTA: Well, the request of the IMRC's Committee makes of you is that our Executive Officer, Rocky Carlisle, receive those questions when they are out.
MR. ROSS: Yes, he'll be the first.
MEMBER DECOTA: I appreciate that because he'll supply them to us. Do you have any anticipated estimate of the cost of the unit once it goes into production?
MR. ROSS: In discussions with the manufacturer, they've been very candid, it depends upon how much market share they each envision being able to capture as to their per-unit cost.

The initial cost that we were working with in 2005 was approximately $2,700, $2,800. That was more generalized toward the end of 2005 of being maybe mid-$2,000 to $3,000. I've even heard some higher numbers depending upon what type of regulation we establish that might either make for a wide market, all 8,000 Smog Check stations, versus a regulation that were to segment the test to a smaller number of stations and therefore a smaller number of machines. So I don't have any way to pin down the exact cost, but I have seen it now being discussed from $3,000 to $4,000, depending upon how many they are asked to produce. They do tell us, however, that within a four-month period after regulations are approved, they'll be able to have enough to cover the marketplace.

MEMBER DECOTA: What is the ARB and BAR's goal per day in ton reduction with the evap tester?

MR. ROSS: I believe ARB, in its November communication, indicated that's 14 tons per day.

MEMBER DECOTA: How does the 14-ton-a-day figure work with a false failure rate of more than five percent? Is there some kind of a mathematical value as far as what we get and what is actually - what we propose to get and what we actually do get? How would that information come back to us? Would that have anything to do with - let's say it was getting six tons a day, okay that's less than 50 percent. How would we

know that? How would we know this technology is doing what it says it's doing or plan to do?

MR. ROSS: Well, the details and the methodology for establishing the tonnage, I would not venture into trying to explain because I candidly do not have the engineering background that the ARB scientists do in terms of establishing that. I know that is done through laboratory modeling testing and the projections how those different models play out over the existing fleet in the state, in the enhanced areas I think adjust, so I would leave that specific area to ARB to comment on. The enforcement relative compliance with the norms would still fall upon BAR in the same way that regular ASM monitoring and enforcement is carried out. We have projections as to what the expected failure rate is in the general fleet category. Since none of these vehicles by model year or by class of car have been tested this way, we'll be probably be developing some preliminary information to establish our baselines so that when we look at results, we can look for anomalies. Because we tend to look for anomalies in the testing mechanism, be it on the ASM dynamometer testing or - and that same kind of investigative logic would apply here. And I believe the ARB models consider generally the size of the fleet, the failure rate. I think they do allow a certain percentage for inefficiencies, so it's not a tonnage that's developed based

upon a perfect environment.

MEMBER DECOTA: Right.

MR. ROSS: But, Dennis, Mr. DeCota, for me to go farther, then I'd get out of my -

MEMBER DECOTA: The reason I bring it up is that in that 2000 letter with regards to the SIP and evap, I believe the target at that time was six tons per day. Well, today is 14 tons. Okay? There's quite a different value of the cost in this program. If it is closer to the old estimate of - six tons a day is still very, very positive and we need to accomplish that goal. But what I'm saying is there's a larger dollar cost to the industry and consumers, eventually, if the actual estimate of emission reduction isn't in the area of 14 tons and it's closer to the original six tons. And I would like very much of BAR, through its Engineering Department, to keep our Executive Officer, Rocky Carlisle, informed on this progress of where we're at, where we're going with this, and what we anticipate. It would help us a great deal in our future recommendations.

MR. ROSS: Just to illuminate that particular area, in kind of reviewing information for today, I have to - time - we're all aware of what happened historically and we all tend to compress that together like we knew yesterday what we didn't know six years ago. And I think when those estimates were put together for the 2000 letter, there was scant

information about what the capture ability of a testing mechanism would be and I think the fundamental information came from several other states that did do evaporative testing, albeit in a different type of mode with ultimately a much lower percentage of vehicles being able to be found suitable for testing in that mode. So I would suggest that maybe the 2000 letter related data available at the time and the current information obviously is based upon the current methodology of ARB's testing of vehicles for emissions as well as the ability of this particular tester to identify and capture that part of the fleet. And I think our analysis has been that this tester captures - is able to test a very high percentage of the sub-fleet that it is focused on. And those may be factors relevant to the difference over a six-year period.

MEMBER DECOTA: And I thank you for your explanation. I think you're right. I think that what you're - things do change and evolve over a period, but I know that this issue is contentious within the last eight months. So, it's still -

MR. ROSS: Yes.

MEMBER DECOTA: I know. But it is something the Committee is going to take and be looking at and asking, so we want you to know so you can be prepared down the road here. The only other issue I can think of at the moment, unless the Committee has any other questions - go ahead, Robert.

MEMBER PEARMAN: You seem to be considering some scenarios where the equipment would be less than full coverage, in other words, not every Smog Check station would have it. What difference in areas are you looking at and why are you think of less than full coverage?

MR. ROSS: Well, my view is that everything is open for discussion, so I can't tell you I have a particular anything. But if 36 percent of the fleet is directed to test-only stations and we don't address that issue, there may be no other cars to go to a test-and-repair station that has to be evap tested. And so I'm just looking at all of the scenarios that are out there and how - if you take the status quo and run with that, what do you have? Are there modifications on the status quo? There are some stations that only repair certain kinds of cars, certain models of cars. In a sense, they provide a boutique service. My concern about a boutique Smog Check program is, one, the enforcement of it when you have so many different modes and styles and everything else. And the public's acceptance of something that's boutique on something they do once every two years gets into that whole issue of public acceptance and understanding and participation. There have been some interesting studies already by your Committee as to how people view their obligations to register vehicles and their sensitivity to dates and timelines and anything else. We're

part and parcel of that attitudal genre so to speak. And so we've got to, in some ways, look at a program, can we keep it as simple as we can? Can we keep it as uniform as we can on a statewide basis? So, I'm just saying I'll look at the different scenarios and what would play out in each one. Did that help, Mr. Pearman?

MEMBER PEARMAN: To what extent is ARB involved in your exploration of these different scenarios at this point?

MR. ROSS: Well, their huge data machine. They know impacts of various changes or considered changes to the program. In a sense, we're going to have to interact with them to see what impacts and consequences are of these various implementation options and then try to find the best one for the industry, for the consumer, but first and foremost, for clean air. If we can work with ARB and we discover a better way to do something and we get better emissions out of it, that's a win-win. And I'd certainly like to find that, but I don't know that yet.

MEMBER PEARMAN: Now it sounds like you've had industry workshops to try and gauge the industry's viewpoints on this. How have you determined the consumer acceptance issues you've raised? Is that just speculation or have you actually had some -

MR. ROSS: Well, we invited various consumer groups' representatives to the workshops and, bluntly, the Smog

Check program is the economic base of a particular component of the Smog Check industry. Their attendance far exceeded any consumer circumstance and I can't really say I can accurately gauge the consumer based upon the evap program, but we can look at how the consumer has received the rest of the Smog Check program. And by and large, there has been general acceptance of the program. A few complaints from people who don't pass, a few complaints from people who don't get to go where they would like to go because of the direct-vehicle program. So we know what hot-button items are and convenience and understanding seem to be the way you get the consumer to understand and participate in the program. So what looks inconvenient and what looks confusing are things we know we should work out and we should work around. Now to get the consumer poll, I believe the IMRC did a study a while back on the direct-vehicle program through a contractor and it was discovered that most people kind of understand the program now. But it took a while, it took a while. But that doesn't mean there aren't - and believe me, I get enough mail to know that there are still people who would just like to be able to do it their way. And also there is a theme; most everybody wants you to have a clean car, but they want their car to pass the test and there's the dichotomy of how we get them to participate in an acceptable way. I think the industry people know

better than I as to how the consumer perceives the obligation of the program and what are the hot buttons and the sensible measures that need to be identified, discovered, and made a part of the program.

MEMBER PEARMAN: The last question, if, in looking at these preliminary and different scenarios, let's suppose you look at one and it only indicates there might be savings of say four tons a day. Do feel that out of any further consideration because ARB has promised the EPA we'd get 14 tons, or do you keep that in the mix?

MR. ROSS: That's something I'd have to say, just on that's facts alone, that wouldn't sound like a good deal. But if four tons and some other modification that we do generated a compensatory tonnage, then I think you'd look at your net results, rather than your individual loss. So I just think this is the way we have to think, because the most important thing, once again, is cleaning the air, getting the consumer to participate in something that is viable that the industry can do, and all three of those goals may not necessarily be on the side of the line every time, but as close as we can try to get them on the same side, that's something we're shooting for.

MEMBER NICKEY: Roger Nickey. I realize it's long passed, but my understanding was part of the five percent was vehicles that were untestable. These were vehicles that just can't

be tested because of the location of the canister, the location of the lines, the kind of lines, etcetera. That was what -

MR. ROSS: I can clarify that. In our testing of vehicles in our roadside testing, we identified 92 percent of the vehicles we stopped to trying to do an evaporative test, we could capture the evaporative emission systems. About eight percent were not able to be tested. So of that 95 through 76 fleet, approximately 92 percent of the vehicles there, according to our survey testing, could be tested. And when we look at a false failure rate, we only looked at those vehicles that we could test in that 92 percent. We had to ensure that we had a less than five percent false failure so that eight percent is not associated whatsoever with the false failure.

MEMBER DECOTA: Thank you, Mr. Ross.

MR. ROSS: Thank you for the opportunity, sir.

MEMBER DECOTA: Okay. Public comments? Mr. Peters?

MR. PETERS: Thank you, Mr. Chairman and Committee. I am Charlie Peters, Clean Air Performance Professionals, we’re a coalition of motorists. Mr. Chairman, I just had a couple of things that I was wondering if you were giving any consideration to and one issue here is that we’re discussing this implementation and the yes or a no as to whether or not this will do what it’s designed to do and function as it

should. My question is are there other options being considered? As an example, things like daily rental trucks that don't have California plates? Could that be a factor, things like diesel vehicles that might get a banner test that might make a contribution? So the question is are there other strategies being considered in lieu of or in addition this low-pressure fuel evap tester? Second issue -

MEMBER DECOTA: Can I respond to the first one?

MR. PETERS: Of course.

MEMBER DECOTA: In the micro-sense, I don't believe that those are options that have been discussed. I think it would be prudent for the Committee to ask both ARB and BAR, so I will direct our Executive Officer to write that letter and request that. I do not think that this information in itself is totally encompassing, that could be added to the actual ton reduction, but we will ask the BAR.

MR. PETERS: In regards to the strategies, I have heard, as an example, in the odd years, years three, four, etcetera, it's expected to increase the tonnage and my particular experience in viewing the program has been that faults have been significantly reduced by the public and the repair industry's responding to standards and so this needs a good comprehensive look at and I'm tickled that the Chief is indicating that he is doing that. Question number two, there was an indication that the program evaluation is going

to basically be done by looking at it with a computer model. Somehow or another I think there needs to be consideration of actual evaluations of cars, shed tests, etcetera, to find out if what's broken gets fixed and whether or not how the program works, rather than throwing it into some model, since the model determines the outcome, you can say it works great or it works terrible and you really don't know unless you do some sort of confirmation as to the how the program really works. So I would suggest that the Committee also consider the possibility of actually doing a more comprehensive evaluation of the program based on real data on real cars with real people.

MEMBER DECOTA: Thank you.

MR. PETERS: Thank you, Mr. Chairman.

MEMBER DECOTA: Any other questions? I would ask if there is a representative from the Air Resources Board here to speak?

MR. CARLISLE: There is not.

MEMBER DECOTA: Okay.

MR. CARLISLE: No.

MEMBER DECOTA: Moving on to Item No. 5. Dr. Williams, please.

MR. CARLISLE: Mr. Chairman, if I may interrupt, there was some additional information that the representative from the Bureau of Automotive Repair was going to present.

MEMBER DECOTA: Oh.

MR. CARLISLE: I apologize.

MEMBER DECOTA: That's all right.

MEMBER WILLIAMS: I'll wait.

MR. GUNN: I'll be quick. Good morning. Marty Gunn with the Bureau of Automotive Repair. Here the Committee had some questions that I have some responses to. One of those questions was does BAR or the Department of Consumer Affairs have an official or unofficial position on Assembly Bills 226, 1870 or 1997? And the answer is no, the Department does not have official positions on these bills, and just for a point of information for the Committee, the Department is precluded from having positions on these bills unless they come from the Governor's Office. Second question, what is the current or projected amount of reserve in the Vehicle Inspection and Repair fund? As published as part of the Governor's 2006/2007 Budget, the VIRF reserve is $47,774,000 and is proposed to be $52,610,000 for the 06/07 fiscal year. Vic was interested in the cost of the tire pressure gauges that BAR has a premium and he wanted to know the name of the vendor. The name of the vendor is Promoco and the cost of that gauge is $1.13 a piece. We'll send the contact information for this vendor -

MEMBER DECOTA: How much, I'm sorry?

MR. GUNN: $1.13. Is BAR developing a report on the Vehicle Retirement Program since its re-implementation approximately two years ago, and if so, we would like to request a copy of

that report. BAR publishes the Vehicle Retirement information through the annual BAR Report, so it's part of the annual BAR Report. To let you know what that was for the 2004/2005 year, the Vehicle Retirement Program retired 4,932 vehicles, eliminating 232 tons of airborne pollutants. The Repair Assistance Program helped more than 35,000 consumers make emission-related repairs reducing hydrocarbons and oxides of nitrogen by 379 tons annually. And then finally, Rocky was following up on some requests for some VID extracts and roadside inspection data. So we are working on the VID extracts and there was some ambiguity regarding the roadside data request. We've had some conversations of clarifying what the Committee is requesting and then I'm working on that request. So I'll be able to update you on that request here hopefully very soon. Any questions?

MEMBER DECOTA: Seeing none, thank you.

MR. GUNN: Thank you.

MEMBER DECOTA: Jeffrey Williams.

MR. CARLISLE: Could somebody dim some of the back lighting so the audience can see the presentation up there?

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MEMBER WILLIAMS: This might be called procrastination two, the sequel. This is a follow-up to the presentation I made last month and I don't think that we have procrastination three

because I've spent so long on these particular studies that other people are inferring that all other aspects of my life are just a procrastination. That is to say procrastination's interwoven with one's other habits and that's what I thought to try to investigate today. All right, it never works. Thank you. Let me summarize what I found in the first study I did. And that was looking at vehicle registrations that were due in early 2005 for odd-year model years, approximately three million vehicles I looked at, which is a very large number of vehicles. And so one could see some very strong patterns. And here are three that I found that many Californians are late with their biennial Smog Checks. Unfortunately, it's not just people who are going to fail are late. Then it would be clear what we could do about it, come down on them quite hard. But many people whose cars ultimately pass are late. However, there is a small tendency that a car that's more likely to fail would be brought in late for a Smog Check. More of concern is that many vehicles that have failed, perhaps there was first an attempt to test them before their registration due date, but if they fail, often they're not fixed until after the registration due date. Perhaps 40 percent of vehicles fall into this category and many of those are quite late, or like a month or two late. This led me to think about proposing some further questions, which

I'm hoping I can answer in today's presentation, at least some of them. So one of the questions was is it the same Californians procrastinating on all their biennial Smog Checks. So if you're late with your - oh, just to pick a random example, your 87 VW Golf, are you also late if you own a 1999 Jetta? And we could look at the records to see if that same person is late on both instances. We could also see if the person who was late with an 87 Golf in this biennial cycle was late the time before. If so, I'd say person is a chronic procrastinator and there's a different public policy response than if this just happens more or less at random to people, their particular affairs make time very hard for them to get the test done, but they're otherwise on time with their other activities. I thought it would be interesting to look at whether the Californians who are late with the Smog Check are late with the re-registration fee itself and call everybody that while DMV sends out this notice you have to get a Smog Check and you have to your fees and there's a penalty for late payment of the fees, there is no penalty for being late with your Smog Check. You just don't get the new registration stickers until you've gotten the Smog Check done. But there's a fairly substantial financial penalty for being late with the money. It looked like from the patterns of the time of Smog Checks that many Californians think there's a penalty for

being late with their Smog Check, but I'm curious about that and we would need to know the date when the check was received by DMV to test this. I haven't been able to get those data sets and I'm going to conclude today by saying I think this is really an important question and we should try to get some of this information. A third thing that was raised by that general study was whether the biennial cycle seems to encourage or discourage. If you failed before, are you determined to do it on time the next time because it's a big fuss? Well, we ought to see that by looking at the history of the same vehicle. And last, does this matter in terms of the quantity of pollution and so on. I'm going to have some estimates of that today. But most of what I thought would be interesting to do was to look at this sequence of who owns these cars that are late. And what I want to do is find the same car owner, as much as possible. And that's not directly available in the Smog Check data. It doesn't say who the car owner is. You will recall, though, that I presented about a year ago a study of who owns older cars. I had access to the DMV registration data for January 1, 2005, and that is arranged by the vehicle identification number, but also provides evidence of the data on the due date for the registration and the name and address of the owner. And I wrote a computer program, you'll recall, that for a particular zip code, went through

all the possible names and addresses to try to find combinations that would indicate it was a household. Human eyesight can probably do that better than a computer program. You can see that Ned Smith, who lives on 3-R-D Street is probably the same guy as Edward Smith who lives on T-H-I-R-D Street. I tried to write the computer program to find a lot of those combinations. I'm sure I've missed some, but I have to do it by a computer program, because there are - what, 25 million vehicles in the state of California and it's not possible to inspect everybody. Then we were curious about who was owning the older vehicles and I - not yet, sorry - my hypothesis is that it was different by whether people were rich or poor. We don't know that directly, but we did know what some other researchers have identified as the poor zip codes in the state of California and the rich zip codes in the state of California, and since the address had the zip codes, I extracted out of the DMV data, 100 rich zips and 100 poor zips. It's possible that a rich person lives in a poor zip and a poor person lives in a rich zip, but it's less likely. For this study, I went back then - hang on, sorry - and extracted from my 100 rich zips, seven from the Los Angeles and seven poor zips, all from Los Angeles. And the people from Los Angeles can help me identify where these are in Los Angeles but the poor zips, I think are all south-central Los Angeles or central Los

Angeles, where the rich zips, 90210 is Beverly Hills, I believe, and 90265 is Malibu and there's Pacific Palisades and a few others there. I just figured these were communities close together. I don't particulars about them, but they present hypothesis here that we should see very different patterns of meeting the due date for the Smog Checks by zip codes, if it's related to income. So, this is a long introduction to get to the question, does it seem that procrastination, being late with Smog Check, is something that happens more with the rich or more with the poor? And we're going to look at that now. Let me give, again, some examples of how I've computed the data and there's an interesting story in these two examples, but we're going to look at not two or three households here, but 100,000 households, so these are just examples. So here is one drawn from one of these rich zips. I think that's the Malibu, and this was vehicle identification W-B-Z-B - dah, dah, dah, California plate and it's a 95 BMW three series. And this had a registration due on August 22, 2004. Here are the test results that are in the VID database that I have access to. The owner of this vehicle took the BMW to station TF211529, that's a test-only facility on September 11th, 2004, which is 20 days late for when the test needed to be done and passed. Look what happened. The result was a fail. I'd say in passing that

type is P, that's the code in the data for a directed vehicle. Two days later, this car reappeared at this same facility and failed again. We don't know what happened to it in the meantime. Maybe the owner just thought that he'd get a different result. More days passed and he takes it to another facility where it passes. And so I compute from this two pieces of information. That there was an original attempt to get the certificate 20 days late. Because it failed, there was then a need to get the certificate and that didn't happen until 31 days late from the original due date on the re-registration and the Smog Check. We can tell a story that this person who lives in Malibu is just, we find, a procrastinator and so on. But what I'm trying to say is we have all the information about this owner based on what happened with this test, this same car before and his other cars. And look at his other cars, first of all. This particular citizen of the state of California, owns five German cars. I own two. This one owns a 98 Mercedes, which had some Smog Checks, and a 2000 BMW, a 2001 BMW, and a 2001 Mercedes. Not bad to own five cars. The original Mercedes we're looking at, had a Smog Check due two years previously in 2002 and on that cycle, the owner waited until the due date and passed. It seems that this is a habit, because look at what they did with his Mercedes, which was due on April 8th and in 2002 he did it two days early and it passed

and it was a biennial test, if you noticed. And then he took it to a different test-and-repair facility in 2004. At that time, only day early, and it passed. We might consider that this particular owner is inclined to cut those deadlines pretty tightly. And why he particularly waited on that BMW - the first observation, it's not obviously. But if any of these other cars had failed, he would probably have been late. Let's look now at an example from the so-called poor zips. Some household that lives in zip code 90006 and the car here is an 86 Honda Accord with a lot of miles. And this car was directed to a test-only and failed and it was attempted two days early. Because it failed, it had to have a repair done and this particular car appears in our records as having gone to a test-and-repair facility, RH223311. That really is the number, rather amazing. And the two tests were done. First it failed and then was evidently fixed in that intervening time, about 45 minutes. These record as pretest, that's a Q code. It's not an official test. And that vehicle then goes one mile to another test-only facility and passes and gets the certificate then four days late, four days after the registration was due. We might tell a story from this example that here's somebody relatively poor, owns an 86 Honda, barely can get things done, is shocked that this car failed, did it as best he could, and only was a few days

late, no problem, well, what do you want. Except we can examine this individual's other habits by looking at what happened before with this car and in this case, there's another car owned by this same household. This particular Honda has a biennial test, it was not directed, on the 13th of April 2002 was passed in its first shot. And that was only one day early. This guy waits until the last minute on all of these cars like the fellow from Malibu does, too. And you can see that more in the other car that seems to be owned in this household, which is an 83 GMC Sierra pickup. His registration is due on March 31st. Let's just to the last of this pair first where it was done on 3/31/2004. It's on the due date and it failed. And they didn't get fixed for eight days late. That looks a lot like that BMW. And I find interesting the previous attempt with this car - excuse me, this pickup, it was passed on the first attempt, which was 45 days late, and achieved, but there really is another record here. One that I generally ignore, but maybe we should think about it. This vehicle was brought in five weeks early on February 25th, 2002, and the test was aborted. I think this guy knew that it was - his truck was about to fail, but he didn't do anything about until May 15th, which is 45 days late. I think it probably was polluting the whole time, but we don't ever see the test results, only the aborted. Well, these are two examples and

they both tend to suggest that it's the individual owner that's dominating here and not the particulars of the car or the zip code. But to test that further, I'm going to look at a sample from all these zips. Well, let me define a little more the sample I'm using. I've excluded households that I found that had six - more than six vehicles. I suspect they're commercial establishments. Those are probably worth studying for their own sake, but I'm trying to get people here. I've been able to look at all the re-registrations due in 2004 and 2005. The bigger study I did last time was only those that were due in the first half of the year. What's happened is I've gotten five more months' of VID data covering the first five months of 2006. And so if I cut things off at 150 days instead of 180, I can look at this whole period. And I can do all the model years, 76 to 99. Among these cars, I asked that I must be able to observe a pass within 90 days before and 150 days after the re-registration due date and it should be an ASM test, so I'm knocking out a few motor homes and so on. I require that I see a pass at some point because there could be some cars that fail and then are junked. As I've said before, those are really important cars, but it's not directly related to, are people just late. I excluded some cars that way. I'm also going to ask, since I wanted to look at the history of the cars, the full history in previous cycle.

This is going to knock out a lot of the potential observations. I've done some analysis that the main points don't rely on this, but I want us to study whether the car was late the time before or not. So I have to have the full history. And wanted it so it looks like it's the same owner, so if there's an intervening change of ownership on this vehicle, I'm not going to consider it either. This leaves me with 75,563 vehicles, including the two I've demonstrated, out of 181,039 vehicles that are in these model years owned by people in these zip codes. So I've lost a lot of the observations or I think they're still representative and they're what they are, which is cars that seemed to be owned by the same household for a number of years. This number of vehicles represents about $1/100^{th}$ of the vehicles of this vintage throughout the state of California so you can think of it about as a $1/100^{th}$ sample. Of course, it's not randomly drawn. I'm drawing it only from these particular 14 zip codes. But if it turns out that the effects of being in the poor zip codes or the rich zip codes is very small, then maybe it is more representative of the state than not. So here's now the main results and analysis. So let's first think about the characteristics of the vehicles in these groups of zips, which I call the poor zips and the rich zips, slightly more vehicles of this vintage are in the poor zips. There are

more vehicles in total in the rich zips, many of these people own cars 2000 and later. I have about the same number of households in each group and you notice that there are fewer households than vehicles, so there are a number of households that own two cars that are 76 to 99 and we're going to look at them in particular. There are many households that own none of this vintage and I can't study that. The typical car owned by poor zips is a 1992. This is among those that are 76 and 99, while among that same zip group, the rich zip owns a 1995. The cars that come from the poor zips have gone a lot more miles, the medium mileage is 124,000, the rich, 87,000. The typical vehicle in the poor zip is more likely to be commercial, a truck, than the rich and the rich are much more likely to have a vanity plate, which suggests something. So at a first attempt at - it doesn't necessarily mean a pretest, but the first attempt to get a certificate were vehicles here in the poor zips, failed at 19.9 percent of the time. Why the zips that are the rich ones, it's 9.1 percent of the time. This is the vintage of these two fleets, I think. There are many more gross polluters from the zips that are so-called poor and more tampers. I think this fits with our expectations about these two groups. But now, this is really about procrastination and not the characteristics of the fleets here. So here are the main results of the day. We're going

to look at poor zips versus rich zips. So who's late with the first attempt? More in the poor zips than in the rich zips. A lot of people in the rich zips are late. The second line is interesting. Given that it's late was a probability that it was a failure. Now that looks different by poor and rich zips, but what's relevant is there's a basic failure rate. The ones that are on time also fail more in the rich zip. If you go to the previous slide, remember that overall the vehicles, whether they were on time or late, 19.9 percent failed in the poor zips and 9.1 failed in the rich zips. If we go here now, those numbers are very similar given that it's late, what's the probability of failure? I found that in the large statewide dataset that there's a tendency for cars that fail to be late, but it's not strong. That's here to. And it's the same tendency whether it's in a poor zip or a rich zip. The third line, fail, certified lates. So this is a car that was either test early and failed and wasn't repaired until after the due date or wasn't tested at all until after the due date and was fixed quickly. Fails that are certified late, 35.2 percent in the poor zips and 33.8 in the rich zips. I found statewide at about 40. I think this difference is a slight difference here is I've really looked at a group of cars, same owners for a long time and so on, you'd think they'd be a little more reliable. But those

numbers are very similar and there both large. A lot of cars that are failed are fixed late. A lot of the gross polluters are not fixed until after the Smog Check is due and that percentage is pretty even across the poor and the rich zips. There are many more gross polluters in the poor zips than in the rich zips. But given it's a gross polluter, somebody living in a rich zip is just as likely to be late getting it fixed as somebody in a poor zip. Similarly, the fails that are certified, whether gross polluters or tampered or just a regular fail, if they're more than two weeks late, that's about even in both zips. So what's happening is actually that in poor zips more people are a few days late, but if you're really late, it doesn't matter where you live. And if you fail and don't get the thing fixed until after the smog date is due, you tend to be quite late. And so the median number of dates late, if late with a fail, is 28 in the poor and 26 in the rich, call it a month. And there are quite a few cars even if the test was done early. Before the due date, that is, that people wait at least 60 days to get the thing fixed, 9.1 percent in poor and 8.1 in the rich. I look at the these numbers and I don't see much difference in the behavior as regards to procrastination between poor zips and rich zips. A little, but not very much. I'll show you that a little more graphically. This is a graph I presented a

month ago. So at the time of the first test relative to the registration due date if the result of that first attempt was a pass and that two million vehicles. You've seen this before and there's the due date, you see this pattern of everybody, many people waiting until the last week or so, getting it done, but there are a lot that wait a long time and that little blip towards the right, not at 90 days, but the thing down is at 60 days and that appears to be what people - there's an extra penalty for being late with DMV. Now I want you to see these for the rich zips and the poor zips. They're not going to be as smooth because there are far fewer vehicles, but that one looks a lot like the one before in the basic shape, doesn't it? Maybe we can flip back, Rocky. The rich looks like statewide average, but more important, here comes the pattern in the poor zips. Now these are passes. A little different, but not much. Of more interest to us is the patterns for those that fail so this is the time of the ultimate pass of a car that failed in its first attempt. Some of them are fixed on time and many aren't. Statewide, it was 44 percent that were late. We're not going to get that many late in these, but here's the pattern for the rich zips. Many are late. And is that different from the poor zips? Not very much. So it looks to me like there is just a pattern for procrastination, but that's not really about whether you're poor or your rich,

it’s whether you procrastinate. If that’s true, there ought to be a pattern then, about how you, the owner, behave relative to one Smog Check to the next. So here is a sample, because I have too many data points to illustrate them all, of the procrastination on the previous test cycle. So along the horizontal axis is the time of the test two years before and the red dots indicate somebody who failed the time before and the green dots tell me you passed the first time the time before. And on the vertical axis is the time the test - the car finally passed in this biennial cycle. So that BMW we looked at the first time passed the first time one day earlier, it would be at -1 and a green dot and because it was 31 days late, it would be 31 on the vertical axis here. There is some pattern, the correlation between the time of the previous test and the current test, in relation to whether it’s late or not is .3. Do you recall when I looked at the statewide data, I tried to relate the time of the test, whether it’s late or not, that is, to the model characteristics, to whether it was a directed vehicle or not and I found virtually no patterns with the possible exception of very late tests done for OBD II cars. So this is a pattern. It’s the only one I could find here. Again, if I look at the model characteristics and all that, whether it’s a vanity plate and things like that, it doesn’t explain when the test is done, but the

previous test history does. At least for these rich zips. Let's look at one for the poor zips. Same pattern, basically. Those who were late before, tends to be late this time. But it's not overwhelming, it's not like you're doomed to always procrastinate. Let's see the same thing now if you own - if the household owns two cars. So on the horizontal axis is the other cars' procrastination tendencies - the owners, not the cars, so I'm relating sibling cars, and the vertical axis is again the test time of a particular car and then its sibling. I'm looking for the correlation here. I'm not saying what is causal. It's not like the other car causes this one to be late. The owner is in common. The second car, the horizontal car, could have been tested after, it's within a 2005 test instead of a 2004 test, so logically the thing that comes after can't cause the first one, but what we're able to see here is whether the owner has a common pattern. And they do, but the pattern isn't different by whether it's in a poor zip or a rich zip. So I say, we're finding here that certain people tend to be late and introspection for records for a particular Jetta and VW Golf would suggest that yes, that happens. Now let's turn to a quantification of the pollution problem of chronically late vehicles. And the first issue is are these vehicles driven very much. If it's your fifth car, that BMW, you don't drive it very much, you

forget about it, you're annoyed you have to get the Smog Check, well, that's one thing. So what if it fails, it doesn't get driven. Well here I've computed the mileage of these particular vehicles, so these are the ones that are certified late having failed. If a car passes late, well, it's not causing pollution. But if it's failed and their driving around after its due date, since the typical car is about a month late, I've computed median monthly miles. So last time I presented the column statewide and here's poor and rich. Let's look at the gross polluters. Statewide, the gross polluter tends to go 422 miles in a month or about, what's that, 15 miles a day or something. In the poor and the rich zip codes, it's more. All of these numbers are fairly big in terms of the mileage driven and consistent with the examples, those two examples we saw earlier, if you notice all the numbers in the poor and the rich column are bigger than statewide, so I have the amazing research discovery that people in the Los Angeles area drive more. I'm reassured that I've made that discovery because that ought to be true, right? But here's a lot of mileage driven by these cars and it's not like the ones that are really late aren't being driven. They're being driven a lot. So this allows me to quantify how much pollution is being caused by these cars. Now how did I do that? Well, I have the test readings, the amount of NOx, the amount of

hydrocarbons and so on at the first attempt when the vehicle failed and the final attempt when it passed. With Emily Wimberger's help, we got some code from the M-Fact model that converts the parts per million, which is what the readings are in the test, into grams per mile for each vehicle. We did this for each of these vehicles that were failures in these sets of zip codes and we estimated miles per day by looking at the odometer from the previous cycle and if they were really wacko numbers like negative miles, which happens when there's a rollover on the odometer, I said the minimum the car goes five miles a day, this is Los Angeles, and if there was some really wacko number that said it goes 10,000 miles a month, that probably was a misidentification, so I capped it at 75 miles a day. So this is a conservative estimate. We know the number of days each vehicle is late and so this allows a computation of the total tons that are being caused by these late fails. And this is a computation as if everybody finally got these late ones done on the due date. These are large numbers of tons, but it's really over a two year cycle. It's not per day. It's - if everybody got it on time that saves that amount over the two-year cycle. Are these numbers big? I thought to compare them with some other policies we've been talking about. We just heard today that the best gases less the evap test is going to be 14 tons per day, where tons here

refers to hydrocarbons plus NOx. We studied the three-year rolling exemption previously. These are numbers I took out the BAR/ARB 2004 Report and that is at the order of 5.7 tons per day. The issue of annual inspection of older vehicles, which I think is most directly comparable to this procrastination issue is 27.4 tons per day at $8,500 per ton. Suppose we say no one's allowed to procrastinate. I don't know how we're going to say that, but the previous computation suggested that there are 11.5 tons for that sample of vehicles over a two-year cycle, so I divide 11.5 tons by two tons here and 65 days to get tons per day, but that was just a sample from L.A. and not statewide and I said it's approximately 1/100th of the vehicles statewide, but let's say it's 1/70th of the vehicles to make the math a little easier, so I need to multiply by 70 to get to a statewide number and so I'm dividing by 730 and multiplying by 73. It looks to me that the amount of pollution being caused by this procrastination is on the order of one to two tons per day. That's not as big as the issue of annual inspection or evaporative emissions, but it's the same order of magnitude. So the question then is how much would it cost to get that ton per day? And let me look at the final computation then. I looked back at the cost of annual inspections and in some ways, if you got everybody to do their tests two weeks earlier, it's like an annual

inspection 1/26th of the time, 52 weeks in a year. Something like that, right? And what's the cost of that? Well, that $8,500 per ton is really per vehicle and so I thought to reconstruct a bit of what I think ARB and BAR computed is more or less the cost of those inspections. So a typical inspection costs about $60 and that's happening to all cars that are being inspected annually, only some of which fail. About 25 percent of those older cars fail and they have to have a repair done and I guess that came to about $200, and so you say the average per car is then $50 and they come up with about $110 that way. But we should really talk about the consumers' time, too, and that's not factored in. The consumer had to take the car to the shop and so forth, so let's say that takes close to an hour or something. What are people's time worth, say $15. Whatever number you come up with there is going to affect your estimate of the cost of reduced procrastination. So that would say a cost per vehicle is about $125 totally. What's the cost of reducing procrastination? Well, one estimate is zero. It's a civic responsibility, get your Smog Check done on time, you should do it. But there is a cost to procrastination or a cost of not being able to procrastinate. How much would everybody pay to be allowed to procrastinate? Well, they have to pay for the $15 of their own time to get the test done. It seemed to me they

wouldn’t pay more than $15 to be allowed to procrastinate to get the test done. Is $5 a reasonable amount what somebody would pay to be allowed to slip a couple of weeks now and then? Sounds right. Whatever number you want to come up with has to be consistent with the consumers’ time or it’s got to be lower. Or if you think there’s a fine, how many people would avoid - would procrastinate anyway with the fine? There’s some internal consistency required here, but I think that’s probably a reasonable number, consistent with the other one. I’ve sort of constructed this more as an example than a serious policy, but notice the ratio - 125 to 5. That’s a factor of 25. If you got everybody to do the test a little bit earlier, like two weeks, that the equivalent of $1/26^{th}$ of an annual test. In other words, the cost-benefit ratio in this is of the procrastination issue is about the same as annual testing. It’s not widely different. So if we’re talking about having annual tests of older vehicles, another policy instrument - one that’s not going to have this big effect overall but it’s still there, ought to be tightening up on the procrastination of Smog Checks. So what do I conclude here? Late repairs are not insignificant source of pollution, one or two tons per day. That’s not a huge number, but it’s not zero, it’s not .01, it’s one to two. And the cost benefit ratio of this policy producing procrastination appears comparable to other

policies recommended. I'm not proposing a specific policy to get rid of the procrastination, but it looks like we're talking about the same types of policies. This analysis of the zip code suggests that lateness in Smog Check is not closely related to income, so it doesn't seem that it's the luxury of the rich or a necessity of the poor. It's just certain people are chronic procrastinators. And that's classless maybe it's tendencies. So I conclude that this issue is an important one. Exactly what to do with it, I'm a little less certain about. And it comes back to the issue that a lot of people as we see from the behavior of when the test is due that that due date for registration gets a lot of people to do their Smog Checks, so they're acting as if there's a penalty, when there isn't one. So if we make it an official penalty, maybe it doesn't change any of the behavior, they're already acting that way. So the guy that's three weeks late always thought he was going to have to pay money. And now that we make him pay it, I don't think it affects his behavior. On the other hand, if he's someone that once he's figured out there's actually no penalty for being late on the Smog Check and we put a penalty on, I bet we change his behavior. So before I want to suggest that we recommend to the Governor and the legislature that we ought to penalize people that are late, let's find out something about whether they were late with

their DMV payment. If that came in early and the Smog Check came in late, we have a lever here to make a penalty. But if that came in late anyway, I don't know that we're going to affect people's behavior. We're not going to reform the procrastination habits of California. So I would like to do procrastination three, but in a much smaller scale, just find out who are late. Maybe a small sample, 1,000 or so, if DMV could tell us that, of these people who look to be late, were they late paying DMV. I bet we'd find a mixture. Some people thought that was a real fine and others didn't. But I hope it's one where we - that the people who are late have figured out there's really no penalty for being late with the Smog Check. In which case, why not make a small penalty?

MEMBER DECOTA: I think you're missing component is going to be the detail. I think what you're going to find is that consumers inadvertently mail in their registration, they don't notice or may be directed to have their Smog Check.

MEMBER WILLIAMS: I think, too.

MEMBER DECOTA: A problem that creates then is to go back because they don't their sticker.

MEMBER WILLIAMS: Okay, then that ought to be something we find out, DMV mailed the reminder that they had a Smog Check.

MEMBER DECOTA: Okay. Because there is absolutely no penalty.

MEMBER WILLIAMS: Yes, that's an amazing thing, isn't it?

MEMBER DECOTA: So budget it - I can do it maybe in 45 days.
MEMBER WILLIAMS: Yep.
MEMBER DECOTA: I just paid my registration. Again, even if I get a ticket, all I have to do is prove I paid my registration.
MEMBER WILLIAMS: Yes, I agree with all that, but let's go back to what we have discovered here. A lot of people are late with their Smog Checks. And that's the problem. It's only half a percent, so what, right?
MEMBER DECOTA: It's not a socioeconomic issue as much as it -
MEMBER WILLIAMS: I don't - that's what I don't think it is. If people in Malibu are just as likely to be late as the people in South-Central Los Angeles, it doesn't seem to be a socioeconomic issue. If the car fails, it's probably a socioeconomic issue. But that's not why it's late. So this gets wrapped up into given that the person's going to have to fix the car anyway, why doesn't he fix it sooner, because meanwhile, he's driving it and there's a lot of pollution.
MEMBER NICKEY: Roger Nickey. Well that just led right into my question/observation. I would just be curious to know out of the ones that were late how many were - they wait until a couple of weeks before the due date, they go down, it fails, it takes a week or so to get in to get it repaired and we find out it needs X,Y,Z part that takes three weeks to get. Now, the consumer's going to say, well that's out of my

hands, I want to get it fixed now, but the part's not available. So it takes time to do that and I run over my due date. I'm just curious what level would be on that.

MEMBER WILLIAMS: I don't know how I can find that in the data because I can't see that somebody brought a car in and was told, sorry, the part's not there. It shows that the test was taken.

MEMBER NICKEY: Is it possible - sorry.

MEMBER WILLIAMS: Fully it's - what I've just looked at, part of the test records, the sequence for a particular vehicle, I've looked at first attempt, so I've got no pretests, no aborted tests before that, and a final. There's more information in the test history as we saw in those examples. It says what's going on a little bit, like an aborted test before or a pretest at a test-only facility - a test-and-repair facility before it goes back. I could learn more that way, but that's interesting, too. But how - I don't think that's going to change the main result that there's a lot of procrastination.

MEMBER HEASTON: On the estimates of the clarification of pollution due to procrastination, substantial difference between the rich and the poor. And now is that from the readings on the test, because the cars are three years older and have about 40,000 more miles.

MEMBER WILLIAMS: I think it's less the readings than just the

sheer number of the cars.

MEMBER HEASTON: So it's - okay, so the -

MEMBER WILLIAMS: Many more failed cars that are late in the poor zips than the rich zips.

MEMBER HEASTON: Okay. So it's the number. I wasn't sure whether they were the numbers in the groups were comparable. But if they're not, then presumably that explains it.

MEMBER WILLIAMS: I think the average vehicle - there are fewer gross polluters in the rich. I think we end up with more pollution per vehicle in the poor zips and more vehicles. That's why the number's bigger. But if want to step back from this, wherever in the L.A. basin that car was, everybody's breathing that air, right?

MEMBER HEASTON: I just have a question. What do the general population - have test anxiety. Just the fear of failure, period. They know they're going to go in and have to take a test.

MEMBER WILLIAMS: I'm sure that happens - just what if -

MEMBER HEASTON: I mean that's how I feel when I get one of those. I just assume I'm going to fail and have anxiety about it and procrastinate.

MEMBER WILLIAMS: You procrastinate getting the test done.

MEMBER HEASTON: The other thing that I was interested in is that I think when we do the SIP projections and we put them in the plans is that we allow for a certain amount of delay.

For instance, in Air Quality Management Districts, we may be late adopting the rule, which would be equivalent to someone maybe being several days, 90 days or 120 days late getting their Smog Check done. But in the overall scheme of whether we've met the requirements for the Clean Air Act, it really didn't matter if you had that CAP as long as everybody eventually or an acceptable number of people eventually got their cars checked and registered properly. So there's really no harm in the fact that there will be this gap, I guess, is what I'm referring to, between the time that they do that. So I just want to point that out. I don't think that - and the amount of pollution, I would like to talk to later, maybe at lunch or something, about how we came - arrived at the number, but it seemed like it may be a lot smaller because the tons per day versus the 11 tons over a two-year period, you would divide that by 365 and you get a number something less than one, so the number actually may be smaller. But I'm not going to vouch for my math by any stretch.

MEMBER WILLIAMS: I got the back to one because this is only a very small number of vehicles in all of California that we're looking at -

MEMBER HEASTON: Right.

MEMBER WILLIAMS: - by that factor.

MEMBER HEASTON: But I'm just - I was just wondering if there's

any real harm in the fact that we have the gap if eventually they all - at what percentage just renegade, just don't do it and drive without registration.

MEMBER WILLIAMS: That would be a big number, too -

MEMBER HEASTON: Yes.

MEMBER WILLIAMS: - and we talked about that one and that's -

MEMBER HEASTON: That one would be the one that everybody would really be concerned with is that, rather than the fact that they might -

MEMBER WILLIAMS: The guy that never does it and he's seven months late isn't that much different than the guy that did it on time, he's only four months late. There are a lot of those.

MEMBER DECOTA: The way it's set up, it's a built-in way of letting people off their commitment to get their Smog Checks done the way as it exists today. I know if I don't pay my air district fees on a timely manner to my air district on my service station, my fine is very heavy.

MEMBER HEASTON: No, but we do notice that there are a number of people that we have to keep after, but eventually they all pay or we cancel their permits and then take other actions against them. But what I'm wondering is if the delay actually changes and causes a noncompliance with the State Implementation Plan by having that gap. As long as, eventually, by the terminating date of the Plan that

everything's accounted for. That's just - I'm just -

MEMBER WILLIAMS: It might and then there's the real issue of whether - how the SIP accounts for this problem versus what's really happening to the air.

MEMBER HEASTON: Right.

MEMBER WILLIAMS: But here we're talking about these various policies, annual, testing, evap testing, they're bigger than this one, I'm pretty sure of that, but this one is not insignificant. And we ask how much does it cost us to get that better air? And I think another way we could look at it, this whole system of Smog Checks is to identify cars that are polluting a lot. So take this gross polluter, and three weeks before this due date he went and it was identified as a gross polluter. It's allowed to drive around for three months, and does, some of them do. A large number of them do and we know that it's a gross polluter. And the whole system was to identify that car and then nothing happens to get it fixed. It's kind of weird. And that's what the procrastination means in practice. Now that's an extreme example, you know, go after the procrastinators. Unfortunately it's not that simple because a lot of the procrastinators had a car that passed and it doesn't really matter from a public policy perspective that the car that passes did so a week late.

MR. PEARMAN: Yes, that was a point that I had that again, when

you have this kind of marginal cost benefit, if you develop some solutions that involve a consumer course to 80 percent of them are going to pass anyway, what's the point of that. But at a minimum, can't you work on a solution here by saying once you identify a car that's failed, whether it's a pretest, anything, why not have a system that gives incentives or penalties to get that car fixed quicker. Would that be a more cost-effective way of getting these benefits and be a socially fair way to do it, to say, once we show a failure, in 30 days you've got to get it fixed, then you get a fine? In that type of behavioral setting, would that be more sensible to pursue?

MEMBER WILLIAMS: That's sounds right to me, except I worry a little bit about the ability to do a test that doesn't get counted.

MEMBER NICKEY: Yes, you're just going to explode the number of pretests.

MEMBER WILLIAMS: Well, if you do a pretest, that counts. If you do an aborted test, it's presumed you failed. I don't know, there's some way around it. I'm not going to suggest any of these polices, it's hardly my area of expertise, but I do see that a lot of people procrastinate and it's not a couple of days. It's months. If it were only a couple of days and if most of them passed, we'd worry about something else.

MEMBER DECOTA: Again, I think it's good work. I think the third phase of this will -

MEMBER WILLIAMS: Well, I was hoping the second phase would end the discussion of it, but as always, one sees more things. I really do think we need something about when people pay the DMV fees and so in looking at the data we have now, is less likely to tell us new things. So I'm going ask that we can get something from DMV. We have a lot of DMV records, maybe I just haven't figured out where the field is that says the check came on this and we mailed out the letter to remind them about the Smog Check on this date, which would get to what Dennis has suggested.

MEMBER DECOTA: Do we need a motion from the Committee to move forward with phase three that will eventually redirect the -

MEMBER WILLIAMS: I don't think so, no, we just -

MEMBER DECOTA: Then we'll move forward on that. Now can we take public comment?

MEMBER WILLIAMS: Sure, I'd like to hear it.

MR. WARD: Randall Ward representing the California Emissions Testing Industries Association. I, like the Committee, I think found Dr. Williams' work extremely valuable and I don't suspect Member Heaston was suggesting that somehow the SIP as opposed to clean air was the driving force in cleaning up the air because I think that if we find tons of emissions that can be saved, then we're cleaning up the air

and at that point the SIP really takes a secondary role. We're concerned about public health. I would also be interested in - and I'm not questioning the number, on the exactly what the assumptions in the M-Fact model are on these vehicles because the older vehicles tend to have a significantly higher emissions profiles, obviously, than do the newer vehicles and that was primarily the population or universe that was looked at here and I would suggest that if anything, Dr. Williams has a very, very conservative figure there in the tons per day. And also I would - just a suggestion as others have been making with regard to how useful these numbers may be, it would be interesting to track these VIN numbers for a subsequent test to see whether they passed and also check to see if any of these vehicles had been through a roadside test to find out while, if in fact they passed, at what point later the - or at what emissions level at a point later that existed to find out whether the repairs had in fact been durable because we're talking about cars where I think it was indicated people recognized they may likely have a problem or for whatever reason procrastinate and therefore these cars, a huge percentage of them are failing their tests. In any event, I would think that would be interesting to correlate to see whether this group is - the procrastination is of a group that is causing significant emission problems. Thank you.

MEMBER WILLIAMS: The black box of the M-Fact model, let me - well, as a understand it, say a few more things about it. This is the part I used with Emily Wimberger's help, is to convert from the parts per million to grams per mile and it's a function of the weight of the vehicle, primarily. It also used model years, so whatever I was doing is the same calculations that are behind those tons per day. If you had annual inspections and older rolling year exemption, I don't know if these things are right. None of us do. They probably are, but I've just done the same, so my number is comparable. The crucial things really are if you get away with procrastination, how many miles fewer would the vehicle drive, things like that, and that's a guess.

MEMBER DECOTA: Mr. Peters?

MR. PETERS: Mr. Chairman, Committee, my name is Charlie Peters, Clean Air Performance Professionals, coalition of motorists. I find this subject matter of evaluation particularly interesting in that I was a participant in a long-ago study, 1,100-car study at the Air Resources Board, where cars were thoroughly looked at testing-wise, visually, functionally, found out whether or not they got fixed and so on and so forth and in that study, the person in charge of that study for the Air Resources Board indicated that he did not want any of the procrastinators in the program because he didn't want to deal with any of those people. And I thought it

made perfect sense that they should be because that would make for a much more meaningful statistics. And that process became more and more interesting as time went by. So looking at these procrastinators and considering whether or not they're important, I salute. I think that's very important. The - a couple of comments in addition to that. The good doctor mentioned cost of the test at $50 to $60, I believe. I think the average car that's tested in the state of California probably isn't $50 to $60 today. It may be considerably less than that. I've heard figures that in Southern California there are some $5 pass or don't pay tests going on. So, $50, $60 probably was quite accurate some time ago, but it may not be today. Another thing that could be a factor in his study could be interesting due to the Smog Check stations in rich zips do the same job as Smog Check stations in poor zips. That could also be an interesting factor that could have a significant impact on the results of his study. So anyway, just a couple factors. I salute him for looking at the procrastinators. They're also part of our society and an important part of this process and I salute him for incorporating that in his process. I was quite disappointed early on when the folks at the Air Resources Board decided those were not appropriate people to evaluate. Thank you.

MEMBER WILLIAMS: You notice, I really didn't look at where the

tests were done and that's partly in that bigger sample I had. I didn't see much difference in behavior about procrastination whether it was a directed vehicle or not. And Mr. Peters is suggesting that people's procrastination is dependant on what is the type of test being done or something? I think that's probably a very small effect about procrastination. If - you might have a scenario ever had a directed vehicle doesn't know - the owner doesn't know how to deal with that, waits too long and it's difficult. But we're not really seeing that pattern in the data. It must be there a little bit, but this isn't the question about test-only versus test-and-repair. This seems to be much more, some people procrastinate. And it may be that they tend to use the type of facility more, but I don't even see that.

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MEMBER DECOTA: At this time we can move to Item No. 9 on the agenda and then break for lunch and then come back and discuss the draft Report. Hearing no objections, that's what we'll do. Item No. 9, future agenda items. Are there any issues which we want to bring up under future agenda items? Mr. Pearman.

MEMBER PEARMAN: Well, that's Item 10, so you will also will take public comment, you meant, or you just -

MEMBER DECOTA: Oh, of course.

MEMBER PEARMAN: Okay. My only question or comment was since the fiscal year begins I guess July 1st, do we have a quote-unquote budget for our next fiscal year, Mr. Carlisle - Rocky?

MR. CARLISLE: We do. It's subject to revision of course, if there are any modifications. But it will be similar to what it was for the previous year.

MALE: (inaudible - microphone not on)

MR. CARLISLE: At this point, yet.

MALE: (inaudible - microphone not on)

MR. CARLISLE: Yes, we're looking at additional research funding, but that's still in the research process, if you will.

MEMBER DECOTA: Any questions on the issue? I have a couple. One is will we have some type of educational overview, how many more testing facilities will require, if the intent is to have one program statewide, is that something we should look at as a Committee, because that is definitely being contemplated. Should we take a position on that?

MR. CARLISLE: I think you're referring to the re-designation of attainment versus non-attainment areas. Yes, but the first question we have to ask is how does that impact Smog Check and that I'm not sure of because there's also the issue of whether the area's urbanized or not. That would impact how it would be implemented as far as Smog Check goes.

MEMBER DECOTA: Is that something that we could do in advance of it actually happening so that we could -

MR. CARLISLE: Yes. That is something we could do, yes.

MEMBER DECOTA: I think that's down the road in the future and will we be doing that comparison on test-only versus test-and-repair at the next meeting?

MR. CARLISLE: That's actually in your report right now. We'll talk about it after lunch, I guess.

MEMBER DECOTA: Okay. Anything from the public? Yes, Charlie.

MR. PETERS: Mr. Chairman and Committee, Charlie Peters, Clean Air Performance Professionals, a coalition of motorists. Possible things for consideration by the Committee, it's very easy to assume, it's very easy to use models, but people behavior really can only be evaluated on a person-to-person, car-to-car basis to find out if something that is broken is in fact getting repaired, and finding out if we can improve that behavior. I would petition the Committee to consider the possibility of taking a look at that and whether or not that can provide some benefits to the air and to the process here of what we're doing. Also, bring up the fact that we support test-only because there's a perceived conflict of interest - does UPS have a conflict of interest, does U.S. government with the Post Office have a conflict of interest, does U-Haul have a conflict of interest. I think there's a whole lot of vehicles where there is somebody

inspecting their own car. If we're assuming that Joe-six-pack, that there would be a conflict of interest that would affect program performance, why wouldn't the Committee take a look at some additional factors which could potentially impact the market and the competitive market-place testing industry as far as the volume of vehicles that it would look at, opportunities for repair. They might find is that an additional factor that the Committee should take a look at? Thank you.

MEMBER DECOTA: Thank you, Charlie. It is - I'm sorry, Jeffrey?

MEMBER WILLIAMS: Mr. Peters, you often say we should be investigating whether that cars that have failed a Smog Check get fixed. It's a good point. I ask you, do we know of a particular make, model year or something where it is very clear from the test results that a certain item is broken and one could either do a full repair on it or a quick and dirty - that's probably not the right word here, a simple - simplistic repair that doesn't last very long. There are a few makes and models where that is a clear distinction. You could identify those makes and models for me, I could look in the data that I have and see how many of the repairs appear to be of the good permanent type versus the pass for a day type. So if you can tell me an 87 Golf - if it has these readings, it's very likely to have this mistake and you can tell if it's done or not, I'll that

investigation. But unless we can identify particular vehicles that way - and models, it's much harder. So I invite you to give me a list of makes and models and the readings that would indicate that there's a very clear problem that could either be fixed well or poorly.

MR. PETERS: I will give you one antidotal example, doctor. Mr. Chairman, if you get a Toyota that's prior to computer controls and does not have an oxygen sensor and see if it fails and find out what the fix was, you may find a significant opportunity as an example, all kinds of things that could make a huge different in program performance. And to be absolutely specific, those vehicles have pulse air, they have a filter in that pulse air system that gets dirty and because it's not feedback, it operates all the time. So whenever a cylinder exhausts, there's pressure in that exhaust and the check valve shuts off the air injection. The kinetic energy of those gases going down the exhaust pipe creates a vacuum, the pulse air allows a shot of air to go in, that goes through a filter. The filter gets dirty and the air injection quits working. It was my finding that a very significant percentage of those which got to 60,000 miles failed a Smog Check. Replacing that filter fixed it and at that time the total number of filters sold in the state of California either or maintenance or repair was zero. So that's an example of the kinds of

things that could make a huge contribution, when you actually find if what's broken on a car and whether or not it's getting fixed and use that as a basis for communicating and improving the quality, those kinds of things could make a huge difference. And this is looking at - instead of looking at general statistics, this is looking at specific cars and what's broken and whether or not it's getting fixed. If the repair provider doesn't - feels like he's just going to get a complaint and get beat up for trying to really figure out what's wrong with this car and fix it, you're going to tend to get more illusions that you are performance and you don't ever know that until such time as you find out what's broken and find out if it's getting fixed and if it's not, we look at opportunities to improve it. Just an opinion.

MEMBER DECOTA: I'll add to this, Charlie, that we will answer your question on that particular year, make, and model, put it in an outline to Rocky Carlisle, who will forward it on to Mr. Williams. But give us what you - make, model, and year, what you feel the problem with that vehicle is and how we can do and improve the program by finding the needed repair.

MR. PETERS: Okay. Those are specific cars -

MEMBER DECOTA: Just take what you said and put it in an outline and send to Mr. Carlisle.

MR. PETERS: When you have a non-computer-controlled car, in other words, it doesn't have an oxygen sensor, which is a evaluated in the Smog Check -

MEMBER DECOTA: Charlie, we don't understand what you're talking about, okay. I mean, we really don't have that broad of knowledge. Mr. Pearman, he's a lawyer and other people do other things here. But what we'd like you to do is submit an outline of your specific question to Rocky, who will forward it on to Jeffrey who take it, evaluate it, and see if there's a recommendation that come of it. That's what we're asking. We need to stay organized. We need to know what you mean completely. Put it in an outline. Put it on a piece of paper. Thank you.

MR. PETERS: If this Committee can't understand that, I think we need a new Committee that -

MEMBER DECOTA: Well, that might be true. You definitely need a new chairman, but you might be exactly right. If you don't want to do it, just say so. Please, Mr. Ward.

MR. WARD: Yes, Mr. Chairman, Members of the Committee. Randall Ward, California Emissions Testing Industries Association. I'm going to bring an issue that causes me some concern and it's certainly no criticism of the acting chair. You are a relatively short Committee today and you have a Chair who represents a considerable interest that oftentimes is in significant opposition to the interest that I represent.

And the Chair has already mentioned that one of the items in your evaluation is the issue of test-only versus test-and-repair. And I would suggest that the discussion of that issue either be postponed until such time as Mr. Weisser is back and can adequately chair, or that you substitute someone else at the dais today to chair that item. But I would consider that at least in the context of the evaluation from this Committee a relatively important issue. And that there are Members that have been historically involved in that issue, i.e., Ms. Lamar and Mr. Weisser, that I think would like to be here for the further discussion and continued work on that portion of the evaluation. So one of the alternatives would be to postpone that until the September meeting. In any event, I respectfully make that request with no disrespect to the Committee or its objectivity. But I think with good - for good reason, I'm restricted to three minutes of comments. Anyone on the Committee is not and can spend considerable time stating their point of view while I'm restricted to three minutes. And so in fairness to the organization and business community that I represent, I would ask that be considered.

MEMBER DECOTA: Thank you, Mr. Ward. Motion to the Committee?

MEMBER PEARMAN: Well, Rocky, if I'm correct, we're not going to develop a final report today and, in fact, there'll be a

subcommittee working on discreet issues including that one after this meeting, so through that committee and then the next meeting when we come back, there will be more opportunities for others to speak their mind, including Vic and Jude, correct?

MR. CARLISLE: Correct. Yes, the subcommittee for that particular topic is Dr. Williams and Dr. Hisserich.

MEMBER DECOTA: Mr. Williams?

MEMBER WILLIAMS: I think Mr. Ward is inferring what we'll be discussing and, of course, he doesn't have the draft report. It's just a summary of the presentation I made several months ago about sample D. I don't think that in and of itself it's particularly controversial, what is the being said is the summary and so this is just to get this report out so the conclusions aren't be influenced by who is the chair today.

MEMBER DECOTA: Understood. Any other comment? Hearing none, I would ask that during the portion of our meeting today that we discuss the draft report that Mr. Pearman chair that discussion. Can I have a motion to that effect?

MEMBER: I'll make that motion.

MEMBER DECOTA: A second?

MEMBER NICKEY: I'll second it.

MEMBER DECOTA: So moved. Any discussion? Hearing none, all those in favor signify by saying aye.

ALL MEMBERS: Aye.

MEMBER DECOTA: The motion passes. We'll take a lunch break. We'll be back here at 12:30. Thank you.

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MR. CARLISLE: (recording not on directly after lunch) - everybody's assigned to a subcommittee, if they're okay with the assignments I put down on the sheet and allocate some time in the next two weeks so that we can spend some serious time editing and finalizing each individual report and then I can bring it back to the full Committee next month for final approval. Because if we can finalize the detail report, then I can write the Executive Summary based on the detail. The last attempt, it was kind of - I think I mentioned in my email it was kind of like sitting down and trying to eat the whole cake at the same. It was a little -

MEMBER DECOTA: Overwhelming?

MR. CARLISLE: - overwhelming thing to worry about things like the table of contents and appendix when we don't even have the detail of the report finalized.

MEMBER DECOTA: Okay. Why don't you go ahead and bring us up to day on the Legislative issues?

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MR. CARLISLE: Okay. At the last meeting, the Chairman requested that I research AB226, Bermudez. That's the technician training fund. I've done so. I've also checked

with ARB and BAR, actually not BAR, but the Department of Consumer Affairs to find out if they did in fact have a position on this bill and they do not. Currently this bill is in suspense in Senate Appropriations. When I talked to the author's staff about this, this bill has their highest priority right now and they suspect it will be coming out of suspense the middle of August. And revisiting this issue, my recommendation would be that the Committee support this with a couple minor amendments. And in the back of your handout is a letter to the Honorable Rudy Bermudez. What I'm suggesting is two minor amendments. First of all, allocate staff at BAR to assist the BAR Advisory Group in discharging their responsibilities because the way the bill is written, BAR Advisory Group has a significant amount of work that they actually have to do to make recommendations, but they don't have any paid positions to do it. So what I'm suggesting is since BAR has $100,000 allocated to administer this fund, then they can assign - it would only take a part-time person, it would take a full PY in other words, to administer this on behalf of the BAG group and that way they could make the - verify that the schools were certified as they're supposed to be, whether it be NATF or Private-Postsecondary, whatever the school certification requirement is, and they could submit that to the Advisory Group, after which the Advisory Group can take that into

consultation and make a recommendation to the Chief of BAR. The Chief of BAR does have final discretion, the way I read this bill, as far as when to disperse funds. But he is required to use the BAR Advisory Group for recommendations. The other thing I suggest in the letter is that there be some frequency for meetings. Right now, the meetings, I believe, are held quarterly.

MEMBER DECOTA: Six Weeks.

MR. CARLISLE: And that may or may not be frequently enough to -

MEMBER DECOTA: The BAG meetings? They're every six weeks.

MR. CARLISLE: Every six weeks?

MEMBER DECOTA: Yes.

MR. CARLISLE: Okay, well that may be enough.

MEMBER DECOTA: Yes.

MR. CARLISLE: But I was just thinking in the bill that there should be some frequency for the meeting to ensure that the funds could be dispersed in a timely manner. What this bill does, essentially, is it takes ten percent of BAR's reserve fund and allocates it for reimbursement to community colleges and schools in automotive technology provided they purchase upfront either the equipment or information, whatever it may be, to improve the curriculum at that school. Since the BAR reserve is quite large, in the vicinity of $30 to $40 million, this would allocate $3 to $4 million annually for that purpose. Now, you should bear in

mind this is going to be a gradually diminishing fund as I understand it. I think this next projection is some almost $50 million, but I think that's going to gradually decrease. By law, a specially-funded organization cannot charge more in fees than it costs to administer the program and I think somebody could argue with kind of reserve fund that would call for an -

MEMBER DECOTA: Adjustment.

MR. CARLISLE: - adjustment of the cert fee. Yes. So at this point, my recommendation to the Committee would be to support the bill. I've drafted that letter to Assembly Member Bermudez and if the Committee approves it, then I will forward that to the Assemblyman.

MEMBER DECOTA: Can I hear a motion by a Member?

MEMBER: I'll motion that we take that position and send the letter as -

MEMBER DECOTA: I'm sorry. I couldn't -

MEMBER HOTCHKISS: I'll second.

MEMBER DECOTA: Bruce. Any discussion? Robert?

MEMBER PEARMAN: Just on the meeting schedule. I'm just wondering where that's - I mean she can always reject it, but presumably, you'd like to think that she was aware of their regular meeting schedule and they can always accelerate that if need be, so I didn't know whether it would upset the applecart to unknowingly have someone put

something in there like two weeks or three weeks if that's inconsistent with how BAG can operate.

MEMBER DECOTA: As a member of that committee, I can tell you that they meet every six weeks. I think that's very adequate as far as the time. There's always a full agenda. I think that the time element is something that I don't think should come under our recommendations in this letter.

MR. CARLISLE: Okay. I can strike that part of the letter then.

MEMBER DECOTA: That's what I would recommend. Okay. So the motion needs to be restated. Bruce?

MEMBER HOTCHKISS: I'll second it again. Send the letter continuing the definition of staff position but deleting the reference to the meeting time.

MEMBER DECOTA: Agreed - the second agrees. Any further discussion? All those in favor signify by saying aye.

ALL MEMBERS: Aye.

MEMBER DECOTA: Opposed? Hearing none, the motion carries. Now we'll pass the gavel on to Mr. Pearman.

MEMBER PEARMAN: Is there any more legislation to discuss because I thought there was a letter involved? I don't know if you've got that.

MEMBER DECOTA: Uh-oh. Yes, I'm sorry Rocky. Anything else under legislation?

MR. CARLISLE: No, that's it. That's the only change.

MEMBER DECOTA: Okay, fine.

MEMBER PEARMAN: Now, Rocky, why don't you lead us into the draft -

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MR. CARLISLE: Okay. Just to kind of recap my email from last Friday, one of the things I did, I made most of the edits that the Committee Members requested at the last meeting and also there were edits that Jude Lamare, Robert Pearman, and Vic Weisser had requested, so I made most of those. There are some I have not and because this is so broad-based as far the approach we've taken, what I'd like to do is recommend that we go through the report, review the recommendations, if everybody is okay with the recommendations, I would like to suggest that I work with the subcommittees in the next two weeks. In fact, Eldon has a sign-up sheet, which I've got the subcommittee assignments. If you can pass that down. I'd like to get dates and times where I can call each subcommittee, even if we don't have corresponding dates and times, I can certainly work with the subcommittee if we can get close. That way we can spend maybe a couple of hours in a conference call on the phone and finalize the edits to this report because I think just trying to do the whole report at one time was - it didn't make a lot of sense to me. I mean, we were looking last time at the appendix, at the table of contents, at the Executive Summary, every component of the report. So

I think this would help us expedite completing this report. And if that meets with the Committee, then we can go through each one of these items.

MEMBER PEARMAN: So today you'd like to go through the detailed report section?

MR. CARLISLE: Right and primarily, look at the recommendations and just summarize what it's about and then further refine it with each subcommittee before we bring it back to the full Committee for approval.

MEMBER PEARMAN: All right. You want to begin with the specific emission cut-point section?

MR. CARLISLE: You bet. In this recommendation, we're recommending that BAR revise the cut-points to accurately reflect the emission performance capability my model year, make, model, engine size, and configuration. And in some cases, very few cases, this will relax the cut-points, but in most cases there are some cars out there, it would have a tendency to tighten them. There are a lot of cars that Sierra Research found that actually passed the test and could be much cleaner without a lot of additional expense. The basic benefit of this would be seven to eight tons per day, depending on the stringency of the cut-points and it wouldn't take a software update as I recall, but it would require that they revisit the specific cut-points. The bottom line is instead of having - I think there's currently

52 emission standard categories now. Depending on how you sliced and diced this data, you could end up with anywhere from several hundred to several thousand individual cut-points. But it would make the test a little more stringent like I say for some vehicles, but no more so than that vehicle is capable of in reasonable condition. In other words, by law, you can't have a cut-point that is more stringent than the manufacturer's original cut-point. These cut-points still allow for some deterioration and age on the vehicle.

MEMBER PEARMAN: Mr. Nickey first.

MEMBER NICKEY: Roger Nickey. There's only been twice that I'm aware of that we've changed cut-points and that was oxides and nitrogen a few years back. Do we have any information on what the impact of that was? Did we actually improve emissions? Was there a lot of cry from consumers? I didn't notice anything in particular. I didn't notice any increase in failure rates and we cut them back quite a bit, as far as I recall.

MR. CARLISLE: Yeah, but again, that was globally. That was only within those emission standards categories. There's some vehicles that could be still cleaner with no negative impact, if you will. There's actually been quite a few cut-point changes from the implementation of BAR-87, the ASM test. I don't have the calendar with me, but there were

probably half a dozen different reductions. And part of the issue was getting not only technicians used to the new test, but just seeing it played out in the real world. There was a lot of research done prior to implementing ASM, but California was the first state to actually implement the ASM test.

MEMBER NICKEY: Well, when they changed the cut-points, was there a corresponding increase in failures?

MR. CARLISLE: They were small increases in failures, but I'd have to look at the dates and then look at the Executive Summary on the BAR website.

MEMBER NICKEY: Then lowered the cut-points minimal effect.

MR. CARLISLE: Yes.

MEMBER PEARMAN: Anything else?

MEMBER HEASTON: Would the - having now thousands of cut-points pose a technical problem for the industry of the terms of the equipment? Is it capable of dealing with all that?

MR. CARLISLE: It's just a look-up table.

MEMBER HEASTON: Okay.

MR. CARLISLE: It would just search -

MEMBER HEASTON: And it will do it in the computer.

MR. CARLISLE: Pardon me?

MEMBER HEASTON: It will do it in the computer or -

MR. CARLISLE: Yes.

MEMBER HEASTON: Okay.

MR. CARLISLE: Yes, it would be automatic. The technician will never see it. He would see the end result.

MEMBER HEASTON: And as far as you know, most existing equipment has the capacity to have many more cut-points?

MR. CARLISLE: Yes, I believe so, but I will verify that.

MEMBER PEARMAN: So the recommendation is to essentially pursue the recommendations Sierra Research came up with and within there are options, like three different scenarios, for example, they gave and you'd let the regulators decide which would be appropriate to drop?

MR. CARLISLE: Yes.

MEMBER PEARMAN: All right. Is part of our recommendation to also do additional study work on the original tighter after-repair cut-points or do you think - is that not a recommendation of ours anymore?

MR. CARLISLE: No. I would suggest we avoid that issue only because tighter after-repair cut-points, first of all, it would have a tendency to encourage technicians to do either pre-test or all kinds of different scenarios, maybe just manual tests, to make sure that that vehicle wouldn't fail. Because as long as the vehicle never failed, it wouldn't be subject to the more stringent cut-points. In contrast, with this program it's going to be subject to the more stringent cut-point regardless.

MEMBER PEARMAN: All right.

MR. CARLISLE: Not only that, I think it would be very confusing for the consumer. If they failed at point X before and now they have to pass at X minus 10, how would you explain that?

MEMBER NICKEY: Confusing wouldn't be the word I'd use.

MEMBER PEARMAN: That was Member Nickey. Please identify yourselves.

MEMBER NICKEY: Sorry.

MEMBER PEARMAN: Now as we go this just generally, do want us to not point out typos and changes and perhaps give that to separately to save time?

MR. CARLISLE: I wouldn't suggest we do that at this point.

MEMBER PEARMAN: Okay. Anyone else want to contribute on this section under model specific emission cut-points?

MEMBER DECOTA: I have one question, Mr. Chair. It can be model-specific on those cut-points. What is the range of years?

MR. CARLISLE: They went up as I recall in the study through 1995. I don't think they got into 1996, so if that is in fact the case, I think there'd be additional required to modify the 96 and newer cut-points as well.

MEMBER DECOTA: I would think they would even be more stringent that the prior years because the technology is that much better in those vehicles.

MR. CARLISLE: Correct.

MEMBER DECOTA: Do you know or do you have any knowledge whether

there are cut-points set for post-95 cars?

MR. CARLISLE: Well, certainly in the current standards, yes.

MEMBER DECOTA: There are certain cut-points and how those relate to the increase. Is that what we're going for in the cut-points on the pre-95 vehicles?

MR. CARLISLE: Yes.

MEMBER DECOTA: The non-OBD II cars?

MR. CARLISLE: Right.

MEMBER DECOTA: Okay. All right. So we will have that ability to take and decipher where we're getting those cut-point increase emission reductions. How will you base it on the make and model? How will you take - how will that take in or play with the system in real time?

MR. CARLISLE: You mean once the change is completed, if it is completed?

MEMBER DECOTA: Once the change is completed. I'm trying to understand. I've got a 1990 Chevrolet V-8 and that emission standard is at X right now.

MR. CARLISLE: Correct.

MEMBER DECOTA: Now you're going to move that up to, I assume, you're going to move that or increase that standard, make it more stringent, correct?

MR. CARLISLE: The difference in right now is when you do a Smog Check, for example, you enter the vehicle into the machine and then the software will go and retrieve the appropriate

cut-points for that vehicle based on a table and it has a choice of 52 different cut-points or standards. With the new system, instead of only selecting from 52, it would be more prescriptive. It would have to select from a couple of hundred, maybe a couple of thousand. I don't know what the magic number is. But that would be more finely tuned to that year, make and model of vehicle is what I'm saying.

MEMBER DECOTA: Where I'm going on all this and why I'm asking is I'm trying to understand in my own head. If I'm a consumer and I have a repair right now that I could accomplish for a dollar. And because of the cut-point increase, it's going to cost me five dollars to repair it and bring it into compliance. And we're talking a lot more than that in real dollars. I mean, we're talking maybe a $50 repair versus a $1,500 repair on a cut-point failure. Are we still going to waive those cars, are we still going to recommend that those cars be waived under economic hardship or we going to -

MR. CARLISLE: Oh, they'd still be subject to the economic hardship.

MEMBER DECOTA: - set up an infrastructure to get those cars repaired?

MR. CARLISLE: Yes, they'd still be subject to any waiver whether it would be $450 cost minimum or the $250 low income or the - whichever waiver you're talking about. That would

still be - they'd still be subject to that.

MEMBER DECOTA: But see, then we would have a footprint on what that car's going to pollute or how much it's going to pollute. Just like Dr. Williams did on the consumer's - on a lack of following through on his Smog Check, we had that same situation now with these cut-points. I mean, are we taking shots sufficient of barrel. Are we going to be able to take and put some teeth into these recommendations on cut-points that drives the point to fix the vehicle. Have we thought through that part of it?

MR. CARLISLE: I think that was the intent of the research that was done my Sierra Research because they compared our cut-points to Wisconsin and I believe Arizona and they found that ours was much more lax in many cases. Now we do a different test, it's true, but they were still able to quantify the benefits by reducing emissions, like I say, about seven tons per day.

MEMBER DECOTA: Well, I remember from previous years on the Committee that you could just take a chart and after seven years, the emission failures dropped off the tail. They were dramatic compared to the first seven years of a vehicle's life. Isn't this going to hold true and raising these cut-points. How - I'm worried that just raising the cut-points without -

MEMBER: Lowering.

MEMBER DECOTA: Lowering the cut-points.

MR. CARLISLE: Lowering the cut-points.

MEMBER DECOTA: Thank you. You're absolutely right. Raising the bar and lowering the cut-point. Exactly. We must have a methodology here to help reduce those emissions, other than just implement a more stringent standard. Are we looking at that for a recommendation?

MR. CARLISLE: If I'm following you, that would simply be up to the repair technician to effect the repairs until such time as they hit that cut-point.

MEMBER DECOTA: But you need an infrastructure to help people comply. You know, through different levels of mandates, which is fine. The car has to get there, but we're going to see a huge cost increase in repairs.

MEMBER PEARMAN: That's what I'm saying, Rocky.

MR. CARLISLE: I don't think it's a huge cost in repair. The cost benefit was reasonable and I don't think per vehicle it's that significant. I would have to go back and look at the report and I can certainly do that.

MEMBER DECOTA: That's no problem.

MR. CARLISLE: But I don't think it's going to be a case of where you were at say, right now the average repair cost for the state is $188 or thereabouts. I don't think it's going to be a case of where you double that. And even if you did double it, you would technically still be weighing the $450

cost limit, but I don't see it as doubling that cost.

MEMBER DECOTA: Okay. I just see a lot more severe failures at a higher cost dollar ticket. Cats, valve jobs, so on and so forth.

MR. CARLISLE: If it were something that serious, it would fail the current cut-point.

MEMBER DECOTA: With a new sparkplug?

MR. CARLISLE: Well, even a bad spark plug. If it's a dead cylinder as a result.

MEMBER DECOTA: No, but I mean if you just simply - you have a broken ring and you're pumping oil and you're fouling out a plug after 500 miles, are we going to be able to detect that problem?

MR. CARLISLE: That would fail on either cut-point, whether it's current or the improved cut-points.

MEMBER DECOTA: Okay. Because it would be a miss. All right, I gotcha. I understand.

MEMBER PEARMAN: All right. Can we move on to the next topic?

MEMBER DECOTA: Sorry.

MEMBER PEARMAN: Mr. Hotchkiss?

MEMBER HOTCHKISS: I don't see it as a major cost. I think what we're going to end up catching are vehicles that barely pass now and it won't be necessarily major repairs that it needs new engine or something, it's - I mean, I'll give you perfect example. I have an 87 Toyota pickup truck that I

procrastinated on, but I got in it before the deadline, and it barely passed. If you lower cut-points, it probably wouldn't have passed. I've got to fix it anyway and it wouldn't have been terribly expensive to fix it, but it will make a drastic improvement in the emissions off the tailpipe. I see it as it's going to catch a lot of the older cars that are just squeaking by.

MEMBER PEARMAN: Member Nickey?

MEMBER NICKEY: Roger Nickey. Just a comment. Generally speaking, the more gross the failure, the easier it is to get a big reduction. It's the ones that just barely pass or just barely fail are the ones that are hardest to fix. When you're down right on the limit and you're just trying to gain 25 parts per million to get the thing to pass and you've tried everything else, those are the ones that are hardest to fix.

MEMBER PEARMAN: All right. Next topic, Mr. Carlisle, the comparison of stations?

MR. CARLISLE: Okay. This is a new topic at the request of the Committee from the meeting last month. We took Dr. Williams' analysis of the sample D and there was some concern about the data so we went back and looked at the data and the data is sound as far as the sample D. We can make all kinds of arguments that maybe there's some missing records or maybe there's this or maybe there's that. The

bottom line is whatever problem you have with the data is applied across the board. In other words, we haven't singled out test-only, test-and-repair or Gold Shield. The data was all handled in the same manner. And so on this, first of all, we're not making any recommendations. But because there's so much work on it, the Committee felt that it was worthwhile conveying this to the legislature. This is a huge topic right at the legislature and also at the Department of Consumer Affairs, the directed-vehicle issue. So when you look at this, basically the findings of the D-sample study, if you turn to the next page, when you control failure rates for vehicle age, then test-only and test-and-repair - I'm sorry, Gold Shield and test-only are identical. It shows a +.4 percent improvement in Gold Shield over test-only, but statistically, it's not significant. And then on the next page, the vehicles are also controlled for - in addition to age, mileage, type, and manufacturer and now you again have even further improvement in Gold Shield, but once again statistically, this isn't a significant finding. So you could either say there's no difference between test-only and Gold Shield or Gold Shield's equivalent to test-only. However you want to phrase that. But again, we've made no recommendations. We've also said in this piece that we're going to continue this research because I have requested the roadside data that I hope to have in the next couple of

weeks and the roadside data will be vehicle inspections from 2000 to 2005 that were done with the roadside teams. They will be ASM tests and we will have the additional benefit that the roadside tests that are done on the roadside do not use fast-pass. Fast-pass is a huge problem if you're trying to do the analysis or quantify the emissions reductions. These are all full-duration tests, so when it says it's 100 seconds at the low-speed test, at 15 miles and hour, it goes the full 100 seconds. Then in phase two, the 25 mile an hour test, it goes the full 60 seconds. So we will have that data in the not-too-distant future and we'll be able to take the second cut to see if we can find enough of these sample D vehicles that were also run through the roadside tests.

MEMBER PEARMAN: Anything else, Rocky?

MR. CARLISLE: The other thing, it was suggested that we include the Horton letter in this report and I've kind of resisted the idea of putting an activity report to the legislature. I don't know if they want an activity report from this Committee, but what I did do, I folded that in to this same topic, only because that is really part and parcel of what we're talking about here. AB578 was a piece of legislation that was attempting to allow Gold Shield stations the first crack at the directed vehicles. We spent three months, roughly, pulling that data together for Assemblywoman Horton

and so I did include the questions that were asked. I was going to include the full response to the letter in the appendix of this report as well. So I don't know how the Committee felt about incorporating that into this piece of the report, but it just seemed to make sense to me.

MEMBER PEARMAN: The placement of this, since this is the only of these that has no recommendations - well, maybe that's too strong of a statement, but I'm just wondering whether in the placement of it finally you don't put in kind of in the middle, maybe you have it separate from the others that are recommendation-type of sections, because otherwise it might imply with making a recommendation on this subject and we're not.

MR. CARLISLE: That is a good idea.

MEMBER PEARMAN: Member Nickey had a question?

MEMBER NICKEY: Yes, Roger Nickey. I just wanted to make sure that we weren't making any decisions today on test-only versus Gold Shield versus test-and-repair. We're just discussing it, is that right? We're not going to take any action?

MR. CARLISLE: Well, what kind of action? As far as recommendation?

MEMBER NICKEY: Yes.

MR. CARLISLE: No.

MEMBER NICKEY: Okay. And the second -

MR. CARLISLE: Even when we finally finalize this piece, there won't be any recommendations attached because we haven't finished the research.

MEMBER NICKEY: The second thing, are we still locked in this judgment of performance that only includes failure rate?

MR. CARLISLE: No, that's the whole point of getting the additional data. We've only used one metric in this analysis and the problem is, that's the only metric that's been used in the past. When test-only was first implemented back in 1997, that was the metric that was used.

MEMBER NICKEY: Yes, but it's so easy to manipulate. That's the problem.

MR. CARLISLE: No argument. No argument at all. But that is the metric and so the sample D, it looked like it was the best sample of data to use for this analysis since it's - in it's selection, it's somewhat unbiased, unless you get into future years and then it's biased because it's selected again, of course.

MEMBER PEARMAN: Member DeCota?

MEMBER DECOTA: There is some new information that's come in regarding the high-emitter profile, how cars are being directed. Will that be included, that information, in this section as it's coming available right now as I understand it?

MR. CARLISLE: I've heard about that information being made

public. I don't know how it would impact this, to be honest. I think you're talking about two separate issues. One is how directed vehicles are selected versus what is the station performance for the various station types.

MEMBER DECOTA: That is correct.

MR. CARLISLE: So I don't think it would be the appropriate place to put that, no. But that's just my opinion.

MEMBER DECOTA: Why do you have this in our report if you have no recommendation?

MR. CARLISLE: The Committee, at the last meeting, decided it was important information only because, well a number of reasons. One, we've spent a lot of time on it trying to do the evaluation.

MEMBER DECOTA: You've spent a ton of time on it.

MR. CARLISLE: Yes, number two, it is a hot topic in the legislature and while we haven't - I guess we don't have any definitive recommendations because there's other metrics we'd like to compare it to.

MEMBER PEARMAN: Anything else?

MEMBER DECOTA: If you're satisfied with that, I guess I am.

MEMBER HISSERICH: John Hisserich. Just on that point, as Rocky points out, it is something that is constantly before us as a set of issues and I think if we didn't at least pay some attention to it in here, we would appear remiss and the fact that we haven't got recommendations, of course, I think is

consistent with where we are in our understanding of it. So I think we would look kind of silly if we didn't have something in there that said we've look at it, I agree with Robert that it probably should be moved to a position within the total document that doesn't have quite the same recommendations associated with it, but I think we've got to have it there.

MEMBER PEARMAN: So this committee is Hisserich and Dr. Williams, correct?

MR. CARLISLE: Correct.

MEMBER PEARMAN: Okay. Anything else on this topic? Let's move on.

MR. CARLISLE: The next one is the one we discussed this morning, Smog Check Program avoidance. Subsequent to the last meeting, I changed the recommendation to in lieu of a monetary fine for completing the Smog Check inspection after the DMV registration due date, the IMRC recommends that vehicle owners be required to have their vehicle tested again at the next DMV registration due date. In effect, this becomes an annual test until such time as the vehicle owner complies with the Smog Check requirement in a timely manner. I think this one needs some further editing to include the benefits of the quantification. In addition I would recommend that we have the analysis peer-reviewed by ARB. I think they could do it in a timely manner to make

sure we're comfortable with that one to tons per day because then I think we could include that in this program avoidance topic. So there's two question I have. Is everybody comfortable with the recommendation and should we include a grace period, you know, ten days, two weeks, 30 days?

MEMBER PEARMAN: When you say grace period, you mean before this annual requirement for you comes into play, you get a little bit of grace period of being late is what you mean. Okay. My thought was probably you'd have to also refine the actual - first, this would take a legislative change?

MR. CARLISLE: This would require legislative change, yes.

MEMBER PEARMAN: I guess you might have to have some sort of deadline on the backend. In other words, if someone waits 300 days, then if you just took this literally, then they'd have to get another Smog Check in 60 days.

MR. CARLISLE: Well, if they waited a year, first of all, they couldn't renew the next cycle because they hadn't completed the previous cycle.

MEMBER PEARMAN: Well, suppose they were 180 days late, then wouldn't they have another six months, then the test would come up again, so maybe that's too close to require it. See what I mean? You don't want to make it every six months for someone or three months later do it again.

MR. CARLISLE: Well, I think the majority of them, we would have to look at the data again. I think there was approximately

eight percent that were past 60 days, so it would be a case of diminishing returns. I mean, how many were out 90, 120 days? I have no idea. Do you know, Jeffrey? No.

MEMBER: (inaudible)

MR. CARLISLE: Yes, but again, I think this probably more so than a monetary fine would motivate people to have it done on time.

MEMBER PEARMAN: The other question for Dr. Williams is you might be doing a procrastination part three and you would look at the DMV registration payment history. Do you think it's possible the results of that might influence how we answer this question or how we form our recommendation here and would it be prudent to wait for that, perhaps, if possible, before commit with a specific recommendation, if you could answer that?

MEMBER WILLIAMS: All information is helpful, but I think we want to be recommending that somebody think about how to get things done in a timely manner. Because I think that's been a hold-up, that finding.

MEMBER PEARMAN: Comment? And this is the committee of Kracov and Nickey, am I right? This is under program avoidance?

MR. CARLISLE: Yes.

MEMBER PEARMAN: Okay. Little subcommittee member Nickey, you first.

MEMBER NICKEY: Subcommittee member Nickey. I can just see this

is going to be a PR nightmare. You're going to have thousands and millions of people, I couldn't get the part, I don't have the money, they ordered it and it didn't come, it didn't fit, they're going to be looking for waivers, there's going to be just a huge outcry on this. I would rather expend the energy on annual testing for everything for older cars.

MR. CARLISLE: Well, I don't think the research pointed that out, though, because the research indicated it was whether it a newer car or an older car, number one, it wasn't that different, nor was it that much different for high-income versus low-income.

MEMBER NICKEY: I'm just speaking as a guy that faces people across the counter everyday and listens to the complaining and the moaning.

MR. CARLISLE: The annual test, we've recommended that before. I do know that's not a popular topic in the Administration and this may one method of introducing the annual test.

MEMBER NICKEY: That's a possibility, but I can still hear the - well, I couldn't get the part so you're going to penalize me for that. You know, I deal with about 40 people a day.

MR. CARLISLE: Well, if that were the case, I think the waiver program takes care of that and the number of waivers issued each year is so small in comparison to the population of vehicles we're talking about. It's really somewhere in the

noise.

MEMBER NICKEY: This isn't I can't get the part, this is it took three weeks to get it.

MEMBER PEARMAN: All right. Bruce, did you have your mic turned up? Member Hotchkiss.

MEMBER HOTCHKISS: Yes, I don't favor much of a grace period at all. DMV doesn't give you a grace period. You pay the renewal or you pay the penalty. And the parts things, you can build - I mean, parts are back-ordered. It's not hard. DMV gives you extensions now. If you don't get your Smog done you go into DMV and cry and whine and ask for a supervisor and they give you an extension. So that's kind of in there. If you went in with a back-ordered part notice, I would imagine DMV's going to give you an extension. But, as you said, I don't think that's the majority of the time and I think Jeffrey has shown today most of the people are late, it's not because they can't get the part, it's because they're just late. They're people like me who just put things off. If you need a kick in the butt to not put it off, so be it.

MEMBER PEARMAN: Member DeCota?

MEMBER DECOTA: I have a tendency to agree with Bruce on this. I think that part of program avoidance is procrastination and I think that it would be very wise to put in some of the information once it's complete and we have time, if we have

time, on the work that Dr. Williams has just recently done on procrastination. And as far as this Member's concerned, I think that you don't need to worry about a fine if you make mandatory that if they don't - if the consumer doesn't get their test done in a timely manner, within the timeframe allotted for them to do so, that they go to an annual test on their next cycle and I think we've accomplished quite a bit in doing that.

MEMBER PEARMAN: Anyone else? Well, we have sometime either recommended ourselves or endorsed a change in law where we didn't have the specifics, but just said this is the general concept that should be pursued and these are some issues that have to be addressed as you draw up the specific law or regulation. So the fact that we don't have all the answers shouldn't stop us from maybe considering a recommended and then like a policy view and saying you need to find out these things. So I would suggest that the subcommittee work to, if they can't reach agreement on a recommendation, at least give us their pros and cons, arguments or issues to be aware of and then the Committee as whole can decide how specific they want to be when they finally vote on this.

MR. CARLISLE: Okay.

MEMBER PEARMAN: All right. Next the tire pressure and safety inspections.

MR. CARLISLE: Okay. This one was the result of some work done

by Dr. Steve Gould and what we looked at was the National Highway Traffic Safety Administration report that they had done with regard to tire pressure safety. It was at the request of the Chairman that we review some methodology for a safety inspection. Although a safety inspection is technically outside the purview of this Committee's authority, it certainly seemed reasonable that a tire inspection would be within its purview only because a tire inspection, if you have low tire pressure, for example, you may falsely fail the test. And the reason for that is because low tire pressure increases tire roll losses or tire roll resistance and as a result, you put an artificial load on the vehicle when it's on the dynamometer. As a result, it will fail for possibly oxides of nitrogen. So when we looked at this, they had done a significant study on it statewide and found that 27 percent, more than 27 percent, of vehicles have at least one tire which is severely under-inflated by 25 percent of the placard, the placard being the recommended manufacturer's tire inflation pressure. And so what we've recommended here is that the BAR and ARB briefly review the report and conduct some additional research on it, just to make sure that our findings are accurate based on the NHTSA report, if you will. The savings - if we go back to the next page, the savings on this, first of all, you have roughly 16 million gallons of fuel you save

annually and given today's fuel shortage, it seems like that may be enough to put them over the top on this recommendation. It saves a number of lives. As I recall, it's about five years per year simply from under-inflated tires causing blow-outs. It improves treadwear, saves approximately $8.2 million. You're going to reduce property damage and improve travel time, a savings of $6.5 million. And last, but certainly not least, you reduce CO2 emission by 414 tons per day. And given the fact that California does have a program to reduce CO2 emissions, that's just another reduction. Now, in all honesty 414 tons per day in the CO2 world is rather small. CO2 is heavy, so it's a small reduction, but nevertheless, a reduction. And the other thing is, we based this on a deterioration of about six months because tires on average will lose about one pound of pressure per month. As you reduce temperature outside, for every ten degrees of temperature reduction, you drop a pound of pressure, so when you go from summer to winter, for example, you've got several pounds right there. The fact that the Smog Check Program only occurs every two years, we felt that certainly this benefit's not going to last two years, so we took the 25 percent of the overall benefit and that's what you see there was far as savings.

MEMBER PEARMAN: What role does DMV or California Highway Patrol, don't they play some sort of role in road safety and

vehicle safety and do you know if some regulation of this was impacted, how they should interface with it, if at all? I think you once did some study at Chairman Weisser's request that seemed like there weren't many states that actually had anything of this nature. But did they involve say, the on-highway enforcement, like a chip in enforcing this type of requirement?

MR. CARLISLE: They have the authority to do so, but CHP discontinued most safety inspections in California years ago. They used to do a headlamp inspection periodically and the only thing you see on safety normally for California is trucks going down a long downgrade like the Grapevine in Southern California. There, occasionally, CHP will do an inspection. But their feeling is there's not enough benefit cost-wise to warrant some kind of safety inspection. The fact is that states that currently do safety inspections or have in the past, many of them are phasing them out because of cost-effectiveness. But this seemed like such a simple matter, two to three minutes on average to check all four tires. If one of them is low, you inflate it. There would have to be some provision, too, even if we recommended statutory language, I think you'd want to stay away from how you determine what the proper pressure is, whether you have a vehicle, for example, with original equipment manufacturer's tires and wheels on it. That would be one

thing. You could go with the placard on the vehicle. On the side of the coin, if you have a vehicle that has 22 or 24 inch rims with $6,000 worth of tires and rims on it, I don't think you'd want to go manufacturer's placard, there's probably some alternative pressure, but that vehicle would be inflated, too, or that tire would be inflated, too.

MEMBER PEARMAN: So in our recommendation, if BAR and ARB did a study, it would document some sort of potential emission savings and then idea would be we might then look at that and say, okay, we think it's worthwhile, we might then recommend some specific legislation or not at that point in time.

MR. CARLISLE: Yes.

MEMBER PEARMAN: Comments from the Members? Member Nickey.

MEMBER NICKEY: Well, I just feel compelled to comment. I think it's a really good idea being an old tire guy with Unocal for many, many years and the tire inflation thing has never changed for as long as I've been around. But in Smog Check, we only see the cars every other year, plus we exempt the first six years. Why not mandate this on people that see the cars more often, quick lube places would be a good place to start. Change your oil three months, 3,000 miles. They see the car, hopefully, four times a year. That's the best place. And most of them are already doing it and have the facility to do it. Smog Check facilities, yes, I have a

compressor, yes, I have an air hose with an air bib on the end of it, but when one comes in with a low tire, it's quite a bit of thing to drag the hose out, get it over there, get the tire gauge out, meanwhile you're trying to get inflation up and you'd usually do the one tire that's low. If the rest of them look okay and the customer drove in here, that's good enough for me. So I'm just wondering if Smog Check is the place to do this.

MR. CARLISLE: Certainly one of them. I mean you could argue this study is a fairly recent study so if all the shops that you're suggesting are doing that kind of work then I wouldn't think it would see the 25 percent that we're - or the 27 percent that are 25 percent below placard. But it is what it is. It's going to be a case of emission return. Six months after the Smog Check, well the benefit from this is gone until the next cycle. But nevertheless, even with that, it's a significant amount of savings and I think the savings actually increased because I think we based this on the cost of gasoline a couple of months ago. So that's gone up.

MEMBER PEARMAN: Member Hotchkiss?

MEMBER HOTCHKISS: Yes, I don't see it as that big of a deal. Theoretically, vehicles are supposed to be in a testable condition now, which means that theoretically, certain things are supposed to be check before the test is done. If

the car comes in - and with some cars, it's a little difficult to tell just by looking at it if the tires are 10, 15, 20 pounds soft. The lower profile the tire, the less it's going to sag because there's a lot of stiffness in the sidewall so you can take a lot of air out before it actually looks soft. So in my opinion, theoretically, pressure should be check anyway before you actually put it on the dyno just like you should be checking the oil and all that other stuff.

MEMBER PEARMAN: Member DeCota?

MEMBER DECOTA: The test-and-repair industry likes to sell products to consumers, so we don't mind checking tires.

MEMBER PEARMAN: All right. So this committee is of Members Heaston and Nickey and I guess they'll just review the language, then if we adopt this, it's really up to the other agencies to proceed to try to study this further.

MR. CARLISLE: Yes.

MEMBER PEARMAN: All right.

MR. CARLISLE: Okay. The next topic is a consumer information survey. At the last meeting, Ms. Lamare suggested that we put in the complete survey in this report, which I've done. I haven't included any recommendations at this point. There are several that she wanted to work on, but I would suggest we just hold this until the subcommittee does some additional work on it and comes up with the recommendations.

There were some significant findings on this as you may recall, for example, the difference in air basins, the difference in CAP participation in some of the air basins, and so I believe she had some recommendations she wanted to pursue in this document.

MEMBER PEARMAN: Go ahead, Member DeCota.

MEMBER DECOTA: This survey is the survey that was conducted with approximately 500, 600 folks?

MR. CARLISLE: Yes.

MEMBER DECOTA: Do you believe that this survey is statistically sound?

MR. CARLISLE: Actually, we had more than that. I believe it was.

MEMBER DECOTA: I don't.

MR. CARLISLE: Because of the way it was done, we had for this survey 35,000 data points for analysis in it.

MEMBER DECOTA: You had what?

MR. CARLISLE: We had 35,000 data points that was based on the number of questions we asked as well. And so it met the test for statistical validity.

MEMBER DECOTA: Who's test?

MR. CARLISLE: The accepted standard. I don't have the organization or anything, but I do know it's accepted practice for that number of people surveyed.

MEMBER PEARMAN: You mean in terms of responses and that type of

thing?

MR. CARLISLE: Yes.

MEMBER PEARMAN: Okay.

MR. CARLISLE: Because this was direct telephone survey. Now we did lose, in all honesty, we did lose some of the benefit of randomness, only because of the number of no contacts. We went through several lists and so one could argue that maybe it wasn't as random as it could have been, but with telephone surveys, this was my first experience with a telephone survey. I do know in this particular instance, we had a lot of either no contacts, people had moved, it was a wrong number. There were a number of issues. The reason was we had to take DMV information and we had to do a reverse trace on it through a company where they actually matched the vehicle registration to a telephone number and that's not all that easy.

MEMBER PEARMAN: Member Hisserich has his mic off.

MEMBER HISSERICH: Just a quick - if we don't come up with recommendations, we ought to move this one to the end. Same thing, if we have the conditions, fine.

MR. CARLISLE: I think there will be recommendations on this, but I wanted to defer to Jude's suggested recommendations on it.

MEMBER PEARMAN: Do you think these are recommendations of more surveys, or what?

MR. CARLISLE: No, probably looking at the reasons for the disparity between air basins, for example. Why do you have more participation for CAP in one air basin versus another. Is it because you don't enough CAP stations, although CAP coverage looks like it's reasonable when we did the analysis of that. But there was some significant difference in some areas.

MEMBER PEARMAN: So, I just wanted to make sure that since it's a consumer information survey, if call with substitute program recommendations, those might impact some other work, but you're saying the recommendations might be in the area of consumer assistance and outreach and things like that.

MR. CARLISLE: Yes.

MEMBER PEARMAN: And I see Member Arney is on that committee with Jude. Member Hisserich do you have a comment? I mean - excuse me, Member Nickey.

MEMBER NICKEY: That was all done before my time, but I just am curious about some things. That survey, wasn't it reviewed by the Committee before it was done?

MR. CARLISLE: Oh, yes.

MEMBER NICKEY: And the questions, were they all reviewed by the Committee?

MR. CARLISLE: Yes.

MEMBER NICKEY: And were they voted on?

MR. CARLISLE: Yes.

MEMBER NICKEY: Dennis, did you vote on those questions?
MEMBER DECOTA: Yes.
MEMBER NICKEY: Could I ask if you voted yes or no?
MEMBER DECOTA: You can.
MEMBER NICKEY: What I'm getting around to is that everybody approved the thing before it went out and then the results came back and it sounds to me like -
MEMBER DECOTA: Well, first of all, we were never told it was going to become a special report to the legislature. My questioning on it might have been different to answer your question. I understand where you're going and they're valid questions. I also have 30,000 signatures that say something different than this that if you want to include in the report, that's fine. But I think mine's a little more valid. All right? I didn't know that this was going to become a separate part of our recommendations when it was done. I was in favor of the survey. I voted for the survey. I thought the survey would be bigger in scope than it was, total number. I hope I've answered your questions.
MEMBER NICKEY: Just for my edification and knowledge, that's all.
MEMBER PEARMAN: Next is organization placement for the Smog Check Program.
MR. CARLISLE: That was an issue paper we actually drafted last year and submitted to the legislature. And at the last

meeting, the Committee Chair as I recall, wanted that included - actually it was prior to that, but wanted to reiterate the concern that the Committee had with regard to the administration of the Smog Check Program within a Consumer Protection Agency. The idea here was nothing derogatory toward the agency. They do a very good job of what they do, it's consumer protection. In this case, it's an air quality program and it was the feeling of this Committee that it should be under the Air Resources Board. So this recommendation was actually part of a bill, AB386, that has since succumbed to a death that is undetermined at this point. I don't think it's going to be revived. It's in suspense right now. I don't see that bill moving forward. It is very difficult because what you're trying to do is carve out a component of the current Smog Check Program. In doing so, you're also carving out a significant amount of money that supports the current Smog Check Program and the Bureau of Automotive Repair in general. And that is the Certificate of Compliance fee. That's the majority of the funding for the Bureau of Automotive Repair. So what was the killer for this bill more than anything else was the distribution of the funds. You know, how do you account for them, how do you make each agency accountable for their portion of that program. Because the suggestion was that the enforcement side still remain within BAR, yet your

administrative side would go to the Air Resources Board, so essentially, the administration would say, okay, we're going to implement this program, by the Bureau of Automotive Repair would have to implement that program. So it was kind of one of those, it was a great idea, but very difficult to implement.

MEMBER PEARMAN: So what we're doing here is simply restating our approval.

MR. CARLISLE: Restating the position of the Committee.

MEMBER PEARMAN: We're simply stating our approved recommendation.

MR. CARLISLE: Right.

MEMBER PEARMAN: And providing an update of the legislation. Does someone have a comment or a question?

MEMBER HEASTON: Yes.

MEMBER PEARMAN: Member Heaston.

MEMBER HEASTON: Thank you. As an air pollution control officer, I would say that moving it to ARB on the surface sounds like a really good idea and I even shared that idea some years back. I think back when we were going through the whole central thing, I'm thinking if you're going to be responsible for it, this doesn't accomplish that because as long as some part of it stays with BAR, then you're just going to have more finger pointing and all it will do is screw it up even worse. I could point to some programs that

CARB does very well and I could point to some programs they don't do very well at all. And so I can't even guess what they would do when they had this dumped on them. When you read the CARB report, the old 2000 report seems to suggest that the program is achieving the majority of its goals and it talks about the good things it's doing and the area where their success is, so I don't even get from them that they are critical themselves to that degree that would warrant that type recommendation, so my position would be that we not consider that.

MR. CARLISLE: The real issue in this was the pace at which implementations take place. For example, fuel evap was a big deal. That's been on the table now for six years. Research was started at the Bureau of Automotive Repair in 2000. It was promised, I don't recall the date, I think it was promised to EPA by 2003, if I recall. So some of the implementations is what prompted this thought.

MEMBER PEARMAN: And again, I guess we have a subcommittee of Mr. Weisser and Hisserich. This really is the only issue is not to be redraft when it comes back I guess people who want to say let's drop it can do so before we get to this report.

MR. CARLISLE: Absolutely.

MEMBER PEARMAN: Do you have a question, Mr. DeCota?

MEMBER DECOTA: No you took care of it.

MEMBER PEARMAN: All right. Anything else on this topic?

MR. CARLISLE: No, sir.

MEMBER PEARMAN: Okay. Vehicle preconditioning.

MR. CARLISLE: Okay. Vehicle preconditioning. We did a telephone survey and our original concept was to determine whether or not they were false failures as a result of improper preconditioning. And to our surprise, it wasn't so much improper preconditioning, it was more the confusion of preconditioning. As a result of the telephone survey we did, it shows you here we actually surveyed 397 Smog Check technicians between July 8th and October 6th of 2005 and what we found was some of the technicians, many of the technicians, in fact, said it's illegal to precondition. When in fact it's the law. It's not permissive, it states you shall precondition in the Health and Safety Code. And it says to ensure operational stability of the emission control systems. And then when you got to, well, how do you precondition, it really runs the gamut from people what we sometimes refer to as hot lapping, running around the block at 90-miles an hour, running it at 2,500 rpm for three minutes, putting a throttle jack on it and just sticking it out in the parking lot for five or ten minutes. The throttle jack is simply a device that keeps the throttle at high rpm. So it really does run the gamut. What we suggested first of all that BAR make the following changes in reg because right now, there is no regulatory mandate,

other than the Health and Safety Code to precondition. In other words, there's no procedure. How do you precondition a vehicle is if it's not up to operating temperature? Can you run it up to 3,000 or 4,000 rpm, can you drive it on the dynamometer first? There's nothing that says you can or cannot. So we're suggesting that they define the proper warm-up procedures and regulation. Clarify the procedures in the Smog Check inspection manual and then include warm-up procedure training in the Smog Check technical up-date training classes. Because it really is a matter of confusion more than anything else and we do suspect that there's some small amount of false failures as a result, but well within the five percent allowed under the law. I think we actually had a dollar amount here of some $800,000, if I recall. But it may be costing consumers to get additional tests because of the way some of the shops do it. There's $836,000 per year in unnecessary second inspection fees. And that we actually estimate from the Executive Summary Report on the BAR's website.

MEMBER PEARMAN: Comments? Member Nickey first.

MEMBER NICKEY: Comment. Roger Nickey. Every PR I've ever talked to that's ever come out to do a quarterly audit, when we get into preconditioning, he always says the same thing. The only thing that's allowed is let it idle. If we get a car that comes in and was left an hour ago and we didn't get

to it and we're going to check it now, we can start it up and let it idle until it reaches operating temperature, which is verified by upper radiator hose, etcetera, etcetera, and run it. You can't do anything other than that. And I know isn't spelled out in the manual, but that's the practice that at least everybody I know uses. You just let it idle, you can't do anything else. Now, I have some suggestions to go along with that and since I'm a Member of the Committee, I'll try to make a recommendation, but as far as - the preconditioning, I think you get into the definition of the term. And prequalify would probably be a better one because you just make sure when the car comes in, it's already warmed up, upper radiator hose is firm, it looks like it's ready to go, this car's been running. Some of them need to be run a minute or two before they go into closed loop and they'll do that while you're entering the information, etcetera, etcetera. There's nothing in there about running it at 2,500 rpm or driving it around the block. Sometimes the customers will do that. They say, I got this thing really, get it right on the machine, stuff like that. But preconditioning, to my knowledge, for ASM, only consists of letting it idle.

MR. CARLISLE: The problem is that nowhere is that codified in law.

MEMBER NICKEY: Exactly right.

MR. CARLISLE: I mean, that's certainly recommendation and I'm not arguing against it. What I'm suggesting is there's a lot of confusion on the part of technicians out there -

MEMBER NICKEY: Yes.

MR. CARLISLE: - that they use all types of different preconditioning procedures. There's a couple that I think I've sent you an email about. One that came to mind was they could use the existing software to facilitate. There's a sequence called tire-drying sequence. In the event that the drive wheels are wet when you pull the vehicle on the dynamometer, the EIS will ask you the question, do the tires need drying? If you answer, yes, what it allows you to do is simply drive the vehicle on the dynamometer for a period of time, and with the friction and centrifugal force, it'll simply dry the tires in about 60 seconds to a minute and a half, something like that, and -

MEMBER NICKEY: The problem I had with that one is that you don't you have a problem until you're into the 15-mile-an-hour portion and you certainly don't want to precondition every vehicle that comes in -

MR. CARLISLE: Correct.

MEMBER NICKEY: And we find it only becomes an issue with two or three vehicles a month and that's out of 1,000 tests. Now you teach classes to technicians and so does Marty. What do you guys teach your students when you get to the

preconditioning portion?
MR. CARLISLE: Well, I can tell you I used to teach them to let it warm up for just idle three minutes. But I haven't taught that class for a couple years since it's pretty much passé now, so I -
MEMBER NICKEY: Marty, are you still teaching classes?
MR. GUNN: Yes.
MEMBER NICKEY: What do you teach them?
MR. GUNN: Well, it has to be at operating temperature.
MEMBER NICKEY: And how do you arrive at that?
MR. GUNN: How do you get it at operating temperature? You operate the vehicle long enough to achieve operating temperature.
MEMBER NICKEY: Starting to let it idle?
MR. GUNN: That's one way, yes.
MR. CARLISLE: See, that's my point. That particular class - I still teach other classes, but not that particular class. It relates to the ASM procedure. But when you talk to these technicians, and again, we talk to some 400 of them, and some of them I would actually talk to after the survey was complete, especially when they tell me that preconditioning is illegal or something like that. I'd say, okay, who told you that. And that's just what they read or whatever, they could never give me a definitive answer, but the point is, there's just a lot of confusion and the Smog Check

inspection manual says - I don't have it in front of me, obviously, but it says you cannot - I know what it says. It says superheating the catalytic converter is prohibited. The question is prohibited by what? It's not prohibited by law and so it's just one of those issues in my mind that would be easier remedied if it were codified in the law.

MEMBER NICKEY: Well, there's another part of the procedure that's not included here that has to do with the engine has to have been running without being shut off. That's to cover some vehicles that when you shut them off and restart them, they know when to close loop right away.

MR. CARLISLE: Right. Right. And the confusion really stems from the previous test being the BAR 90 or the two-speed idle. Under the two-speed idle program, if a vehicle initially failed, it had what they called a second-chance test and the equipment would automatically ask you to pull the probe out of the exhaust and then rev it up to 2,500 rpm for three minutes and the idea was to warm up the cat. With the current test being a loaded no-test, there's significantly more heat generated in the exhaust that presumably heats the cat faster. And so one of the things that happens in the current software and one of the reasons that they use 100 seconds in mode one is because it only needs a 10-second passing average to pass that sequence of the test. In other words, if you have a vehicle that's

running for 30 seconds, it may be failing the emissions, but if the next 10 seconds average readings are a pass, then it's going to pass that sequence of the test. And the feeling was in engineering at the Bureau of Automotive Repair that that was, in effect, a preconditioning procedure. But again, you still have vehicles that are going to come in, they're going to be stone cold and that may or may not be enough to probably warm them up. I mean if a vehicle's been sitting all day in the wintertime, that's probably not going to be enough to warm it up to operating temperature.

MEMBER PEARMAN: Bruce, is there a comment? All right, so again, this is a subcommittee of Dennis and Bruce, but again, we're not recommending any specific regulation at this time, just -

MR. CARLISLE: No.

MEMBER HOTCHKISS: That subcommittee is of Dennis and Roger. I know it's a misprint, but it's Dennis and Roger.

MEMBER PEARMAN: Oh, okay. I'm sorry.

MEMBER HOTCKKISS: We're chained together on that one.

MEMBER NICKEY: I was on the subcommittee previously, because this subcommittee's been in existence for quite awhile.

MR. CARLISLE: Yes, Roger brought up a concern during lunch and so there is a list that's being passed around. If you have an opportunity to fill that out and I'd like to collect that

at the conclusion of this meeting because I would like to conduct those subcommittee meetings within the next two weeks so we have some time to finalize the edits and also draft the Executive Summary based on the detail report as well.

MEMBER PEARMAN: So you would expect to circulate to us a revised complete final report before the next meeting, which would include the Executive Summary?

MR. CARLISLE: Correct.

MEMBER PEARMAN: Anything else you want to discuss in terms of the report in general?

MR. CARLISLE: No, like I say, there is one piece and I handed out everybody an email I had sent to Jude Lamare. We had talked about a methodology for program evaluation. And she had actually drafted a document and as we started looking at some of the current requirements, it's pretty impressive. This is taken right out of the Federal Register, specifically Section 51.366, when it talks about the report requirements for I/M programs and it says the biannual report shall commence within 30 months of initial implementation of the program. We're well beyond that 30 months. But this is about five pages of various reports that are supposed to be reported to EPA biannually. I have no idea what the status of these various reports are with regard to sending them to EPA, but I do know that the

majority of the states do not comply with this according to the people at the EPA. I mean, to comply with this in reality, you better have a staff that's doing nothing more than writing reports 24/7 almost, because this is a lot of reporting requirements for one program. So I'm going to discuss this with Jude and see if she wants to incorporate some of this into the other piece or if the requirements are already. They're set in stone, if you will, but then it becomes a compliance issue. Maybe all we need to do is suggest that we get a copy of these various reports, if they're being supplied to EPA, which I'm sure a lot of them are. In fact, some of these are generated by ARB as well.

MEMBER HEASTON: That's - if I may, excuse me. ARB - if anybody's doing this, you think it would be ARB?

MR. CARLISLE: Well some of them would be ARB, certainly.

MEMBER HEASTON: Would BAR have a role in it, too?

MR. CARLISLE: BAR would have a role in it as well.

MEMBER HEASTON: But we haven't seen - or you haven't seen an actual completed document that reports all that?

MR. CARLISLE: I have not. No, the only report we've seen is the 2004 report that was delivered last year.

MEMBER PEARMAN: Anything else?

MR. CARLISLE: That's it.

MEMBER PEARMAN: Well, let's take public comment on this agenda item, the draft IMRC Report. In the back?

- o0o -

MR. WARD: Thank you, Mr. Chair and Members. Randall Ward, California Emissions Testing Industries Association. At the last meeting, there was some discussion and I thought that Chairman Weisser was sensitive to some of the remarks that I made within the context of his direction to your Executive Officer on the issue - well, let me surprise you, test-only versus test-and-repair. In any event, I indicated that it was of a concern to me that anything that was put down, even how preliminary and with whatever disclaimer, still could be taken out of context and used, and because it came from a public setting gave some degree of authenticity to it and that has, in the past, been done and I'm sorry that that's happened, but it has. So I cautioned the Committee and I think Chairman Weisser was sensitive to that. Having said that, the issue of fail rates as a method of comparison with test-only and test-and-repair, I think it's fairly well-understood. When you compare test-only and Gold Shield and some of the things that Dr. Williams did that indicated that there was an insignificant difference between the two was certainly no surprise and I think that those issues have been discussed, but quite briefly, you could be a Gold Shield. You have to have a fail rate that meets the average fail rate of the test-onlys in your region. So as Mr. Nickey, I think, pointed out it's relatively easy to

manipulate the data and to further expand on that, the average Gold Shield station conducts 40 tests a month. The average test-only conducts 280 tests a month, so you can see that a relatively small change in a failure rate has a pronounced impact on the overall fail rate of a station type. Second, I think that it's particularly important based on what I heard the recommendation to be - or not the recommendation, the discussion to be with regard to Dr. Williams' data that it be indicated that clearly fail rate may actually misrepresent the performance of the station for the reasons I sited. And I would also simply add a risk or by virtue of a reference, the consumer information study. One of the things that I think should be heralded here and the State should take a good deal of credit for and I think it's borne out by two things. The consumer study that this Committee did was an original piece of work and this Committee debated long and hard over spending money and energy on an original piece of work. And then secondly, in addition to that (alarm) -

MEMBER PEARMAN: Finish up in one minute, all right?

MR. WARD: Excuse me?

MEMBER PEARMAN: Finish up in one minute.

MR. WARD: Yes, thank you. In addition to that, the statistics. There are roughly, I think, 8,000 test-and-repair stations. There are something in the vicinity of 1,500 to 1,600 test-

only stations, yet over and above the 24 percent that actually, of the directed vehicles that shows up in test-only, test-only is doing nearly 50 percent of the business. So what that has is it's very much complemented that what you found out in your consumer survey is that consumers have found test-only to be a very painless and convenient way to do a Smog Check. And that certainly has political consequences, because obviously the legislature's concerned about that. So I think that study should be referenced in the text, along with Dr. Williams' work. I also think that it should be - we're talking about the test-only, Gold Shield, or test-and-repair debate, but it all should be referenced that failure rates may in fact misrepresent the performance of station types. At best, they are simply one minor indication. In addition, let me close with saying, I get a little bit annoyed that AB578 is the stimulus for a hot political debate on the issue of test-only versus test-and-repair. That bill in its form at the time, when it was the test-only versus Gold Shield, Gold Shield gaining directed vehicles, didn't go out of the first policy committee it was heard in. The author didn't even ask for a vote. So it somehow characterized that as a hot political issue I think is a blatant misrepresentation. I think it was more ho-hum in that context. And I also would make one general comment as far as this Committee is concerned. I've

heard the Executive Officer mention a couple of times the political slant such as ARB versus the BAR housing the Smog Check program and I'm not weighing in on that one way or the other. I'm simply saying that I think that this Committee enjoys the luxury of taking a position on issues it deems to be right. Irregardless of what the political consequences are in the legislature. If it believes it can do something, the program can be changed or altered or somehow improved to increase the public health of the breathing public, then it has the luxury of being able to make that recommendation. Thank you very much for the extra minute, Mr. Chair.

MEMBER PEARMAN: Mr. Carlisle, do we have a schedule yet for when we're going to have the presentations by the three industry groups, so to speak?

MR. CARLISLE: Yes, that's going to be next month.

MEMBER PEARMAN: Okay. So, we'll kind of have that background in our minds as we particularly vote on the form of our final report then.

MR. CARLISLE: Right. I should mention, too, the issue of the quote, hot political debate, was not my words, that came from other people within the Department of Consumer Affairs and the legislature.

MEMBER PEARMAN: Any other public comment? Mr. Peters?

MR. PETERS: Yes, Mr. Chairman, I'm Charlie Peters, Clean Air Performance Professionals representing motorists. I would

just like to put it on the record my perception of this issue of whether or not something's broken whether or not it's getting fixed. And a specific example of that, on a number of cars made in Japan that had pulse air and no feedback, no oxygen sensor, those vehicles had a filter in the air injection system that got dirty. And that got dirty, from my experience, at about 50 - 60,000 miles. Virtually everyone of those cars would fail a Smog Check. After we figured out what the problem was and you had the part in stock, you had four screws, you replaced the filter, the car was a heavily failing car and every time it passed with no exception that we found. So we got a group of cars that failed every time once they got to about 60,000 miles. Replacing a filter that was supposed to have been replaced at 30,000 miles made the car pass virtually every time. We found that in the State of California, we could not find any evidence of one of those filters ever being sold. Ever. We went to Longo Toyota that had a 100 bays of services that operated 24-hours-a-day, the total number of services filters in their history at that time was zero. It said right in the manual in the glove box of the car that that system was supposed to be services at 30,000 miles and at 60,000 miles, the car would fail, we replaced the filter and it would pass. There are still quite a number of those vehicles, because it's not only Toyotas, it's Mitsubishis

and the small air-injection, non-feedback, non-computer-controlled cars of that vintage, which would be 1980, 79, 78, that those cars today, just six months ago a guy said, well, I've got a Toyota Tercel and it failed Smog Check. I said replace that filter. He's been piddling with that thing for a year, he replaced the filter, it passed. So that's an example that is specific data. Whether or not the car has an oxygen sensor is part of the data, the Smog Check program, whether or not it has air injection with the engine size, so that's data that could be picked off very easily and can be used as the basis for determining if what's broken is getting fixed. Thank you very much.

MEMBER PEARMAN: Thank you, sir. Any other public comment? Anything else on the agenda, Mr. Carlisle?

MR. CARLISLE: No, sir.

- o0o -

MEMBER PEARMAN: Motion to adjourn?

MEMBER DECOTA: So moved.

MEMBER: Second.

MEMBER PEARMAN: All in favor?

ALL MEMBERS: Aye.

MEMBER PEARMAN: So moved. See you next month.

- MEETING ADJOURNED -

TRANSCRIBER'S CERTIFICATION

This is to certify that I, TERRI O'BRIEN, transcribed the tape-recorded public meeting of the Bureau of Automotive Repair dated July 25, 2006; that the pages numbered 1 through 128 constitute said transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

Dated _____, 2006.

_____
Terri O'Brien, Transcriber
Foothill Transcription